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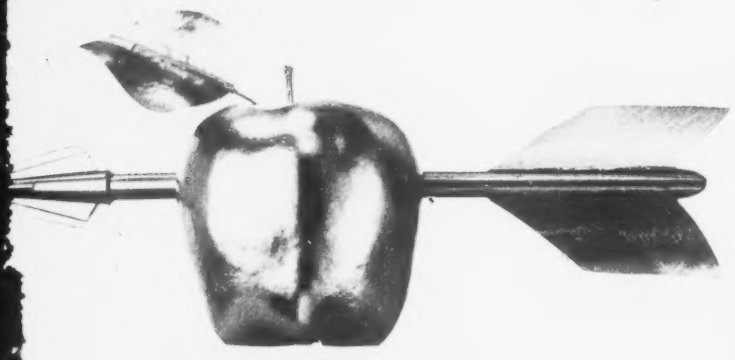
MARKETING & MEDIA DECISIONS

MARCH 1990 • $4.00



THE TOP MARKETING SUCCESSES OF 1989

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MARKETING & MEDIA DECISIONS

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Image, skill and execution were the ammunition for the top Marketing Successes of 1989.

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It sounds so bland: low sodium, low cholesterol and low calorie. But this surprisingly tasty frozen dinner, created after ConAgra's chairman had a heart attack, is a robust performer in America's supermarkets.

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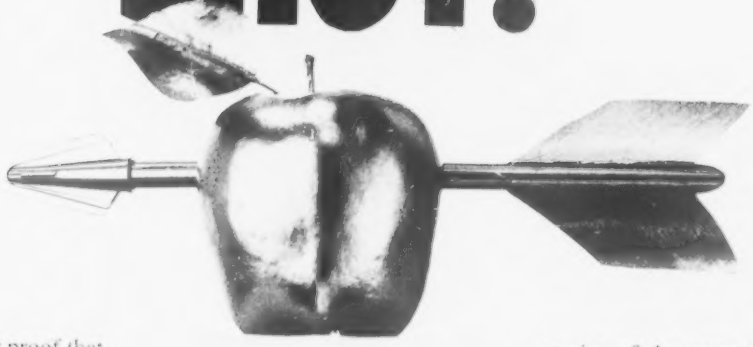
NICE SHOT!



If you need further proof that marketers are returning to long-term, image-building strategies, look no further than this year's Marketing Success winners. Sure, the marketing messages tap all the right concepts: family, home, health, convenience, quality. But the one attribute that binds them together is the creation of a strong image in consumers' minds.

This is particularly important as marketers set out to follow the baby-boom generation into middle age. While this powerful consumer group is saddled with all the lowered expectations that come with receding hairlines and widening waists, they remain convinced that what they buy says a lot about who they are.

Hence, Nissan almost doubles sales of its Maxima by positioning it as the practical car with sex appeal. Evian, a still water whose narcissistic appeal seemed limited, continued dramatic growth by appealing to specialized markets, such as mothers. Nabisco tells kids that Teddy Grahams are tasty, tells parents they're wholesome and ties both targets together with a rock 'n' roll image that borrows heavily from the parents' youth. And Mattel gets back on track by refocusing its marketing energies on the toys that kids — and their parents — know best, such as Barbie and Hot Wheels.

These were among the nominees that made the cut as our editors polled readers, analysts, trade editors and industry experts in search of the top marketing stories of the year. Our criteria were tough: We considered only companies or brands that increased their market share significantly; beat the odds by turning around a declining position through a precise, well-executed marketing strategy; introduced a new product that bolstered the brand name or bested the competition; or put marketing skill to work in other ways, such as to solidify a leadership position.

The editors gathered over 150 nominees representing dozens of categories, and from this list narrowed their choices down to this year's top ten. Some were sure things right from the start. How can you argue with Teddy Grahams cookies going from nowhere to number three in 12 months? Or Healthy Choice, ConAgra's second new-product winner in a row after last year's MicroMagic (a feat in itself), which topped the frozen-dinner market in its first year? Others won their cause in quieter ways, such as by making the most of their strengths, as in the case of Mattel, or creating an image veritably from scratch, such as Dutch Boy paints. All, however, share an extraordinary group of marketing professionals with a talent for connecting their products with the buying public.

Image, skill — now add creative advertising to the list of attributes that guided this year's selection process. Without it, all the effort would have fallen fallow. So sit back, dive in and see for yourself just how dynamic the relationship between marketing and advertising can be. ■

MARIA FERRARI

ONE FROM THE HEART

by Pamela Ellis-Simons

If the 1980s was the decade of diets and going for "the burn," the 1990s promises a decade of health worries and good-for-you food. Everyone from the trendy to heart-attack victims will be counting sodium milligrams and cholesterol intake along with calories. It may get to sound like a lot of Jewish mothers.

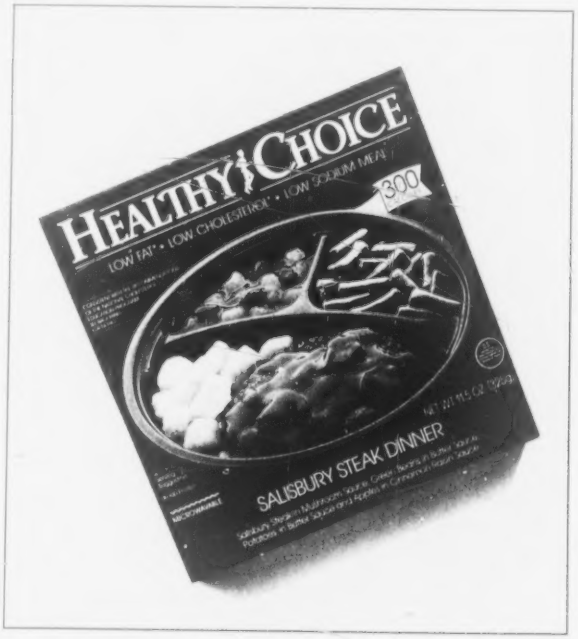
But don't fret. This needn't condemn the country to a life of boiled chicken. ConAgra Inc., the giant Omaha-based food company, has weighed into this fast-growing market with Healthy Choice, a low-calorie, low-cholesterol, low-sodium frozen food line.

Somewhat surprisingly, this bland-sounding product has taken the supermarket frozen-food section by storm. Within months of its January 1989 introduction, the green-boxed, 14-item line grabbed a 25% share in the $700 million frozen-dinner market. It became the number-one frozen dinner in health-conscious Los Angeles within four months and captured a whopping 42% share in New England, say brokers. Inspired by the heart attack of ConAgra chairman Mike Harper, Healthy Choice now is the number-one premium frozen dinner and has expanded the category rather than just cannibalize sales.

"Healthy Choice increased the category overall by 15%, in a category that was declining [before its introduction]," says Paul Renzenbrink, vice president at CMI Brokerage in Cincinnati, where Healthy Choice won a 41% share. "It's amazing. Based on the strong shares of other brands, I can see that new people are buying frozen dinners who weren't before."

Having tackled the mostly male frozen-dinner market, ConAgra is rolling out ten new entrees to the competitive, mostly female $1.7 billion frozen-entree market. In test markets it has done very well. "Healthy Choice was developed for the cholesterol problem of men, drawing them into the entree category. That has never been done before," marvels Linda Gibbs, buyer/merchandiser at Hannaford Bros. Co., a food retailer in Portland, Maine. "Entrees are trading dollars rather than growing, but new growth will come from men."

--Success came so sweetly that competitors are jumping on the health bandwagon and diet-food dinners are being hastily repositioned as "nutritional." After its own research showed an opportunity, frozen-entree market leader Stouffer's shipped a nutritional line of 11 entrees called Right Course last fall and is unveiling a new campaign for its low-cal Lean Cuisine. Le Menu LightStyle, Campbell's low-calorie frozen food dinners, refocused its tv campaign on nutrition last spring and broke a new print ad campaign last month. And Weight Watchers, manufactured and marketed by H.J. Heinz Company's division Foodways National Inc., recently unveiled a new ad campaign whose banner reads, "Maybe we should have called them Health Watchers." Observers estimate that companies will



When Healthy Choice combined low-cal and low-salt with big flavor, frozen-dinner sales heated up.

spend $90 million this year on nutritional frozen foods.

"It is clearly getting very competitive, which is typical of food markets," says Nomi Ghez, vice president at Goldman, Sachs & Co. "The food companies saw an opportunity for a new growth segment. At this point the market has not reached its peak."

What is driving this health-food kick? According to Stephen Hughes, vice president of new ventures at ConAgra, 29% of the population couldn't care less about what they eat. But 20% of Americans are restricted dieters and a surprising 30% are so-called "health-conscious."

"They're younger, mainstream consumers, who are realizing they'd better start thinking of some of these things," says Hughes. "The number of people who know their cholesterol level has gone up so fast. These people don't need restricted food everyday, but once or twice a week it helps them balance their portfolio."

Still, it was a gutsy move to introduce a "health" product in the largely-male frozen-food dinner market. Most low-cal entrants have fared tepidly in this stagnant and price-competitive part of the freezer section. Healthy Choice prides itself in having the lowest sodium, cholesterol and fat content on the frozen-food market, but that could have been a turn-off, even in the entree section. For example, Kraft General Foods failed to win the public with Eating Right, a low-calorie, low-cholesterol, low sodium frozen entree it introduced in fall 1988.

While good for you, Healthy Choice also had to taste good or become a novelty item. "The product needed to deliver on taste to make it mainstream after trial," explains Roxann Goertz, vice president and management supervisor for Campbell-Mithun-Esty. "There were a lot of revisions." Healthy Choice is targeted at men and women 35 years and older, although it skews 45 and older. But its plain "home" cooking and non-exotic fare (sirloin tips, salisbury steak, turkey breast) was most popular with males.

RICK HARRIG

Their lunch of Choice (L-R): marketing director Steve Van Tassel; group product manager Mike Golderman; and new ventures' Hughes.

The "Chicken Oriental" dinner, for instance, is a hearty meal chock full of chunks of white meat — which are few and far between in many diet dishes. And there isn't a trace of MSG, preservatives or additives.

Careful introduction and strategic positioning made the product more than heart-attack food. Over three years ago, ConAgra — which also was a Marketing Success in 1988 with its MicroMagic fast-food fare — began analyzing the popularity of health-issues with Minneapolis-based Campbell-Mithun-Esty. "During the development of the product, consumer attitudes towards health were an ever-changing variable but [concern] was clearly growing," says Goertz. "There was a definite concern that people would perceive this product as for people with health problems. We needed to present it as healthy food for healthy people. It is a fine line we walked."

Extensive test-marketing and a public relations campaign set the stage for Healthy Choice's rapid roll-out. ConAgra taste-tested its entire line of dinners in 18 cities across the country, backed by spot advertising. Public relations agency Hill & Knowlton exhibited Healthy Choice at health conventions and conferences and last June sent mailings to dieticians, informing them of the new product's benefits. They staged a national press party in New York where "product manager" Mike Harper talked about his heart attack and how his wife, Josie, was able to make his low-sodium diet interesting. By September, when national distribution was achieved, word of mouth was rampant.

Although plagued by frozen-tight freezer space, food stores either enlarged their sections or dropped poor sellers. "Accounts had heard of the item and wanted it," explains Don Searfoss, product sales manager for Food Enterprises, a Boston Food broker. "There had been a lot of consumer inquiries. Accounts had been getting phone calls about it, mentioning the chairman's heart attack."

ConAgra did some housecleaning of its own, trimming poor sellers in the Banquet Foods and Armour Dinner Classics and lowering the price of its Armour Classics Lite. New volume has more than made up for those losses, however. Searfoss says the entire Healthy Choice dinner line was accepted by all his accounts last May, and from a 3% per year sales growth, the dinner category has jumped 27% in the last 12 weeks.

"The consumer is purchasing Healthy Choice at a tremendous volume," says Debbie Querzoli, frozen food buyer at New England's Shaws Supermarkets. "ConAgra established the proper price points successfully at two dinners for $5 and entrees under $2. Stouffer's [Right Course], at over $2 per entree, has missed the mark completely. Consumers are balking at the price." She only carries eight Right Course entrees ("a second player in a relatively new category") but Healthy Choice's entire dinner and entree lines.

Consumer and retailer support for Healthy Choice was so strong that so-called slotting allowances given by food manufacturers and brokers to retailers to "buy" retail space for new products were discontinued by ConAgra six months ago, says Allan Nakken, Healthy Choice brand manager at Crown Inc., a large Southern California food broker. "It was popular, and there was media support behind it," explains Nakken. And because of ConAgra's aggressive advertising program, brokers used local ad funds on more innovative programs. For instance, when Nakken presented the dinners to buyers for the huge Ralph's supermarkets chain, he gave each a cholesterol test. "When you see the blood they take, you get a real interest level in the product," he deadpans.

In fact, many retailers jumped on Healthy Choice as the first product they could use to interest consumers in their nutritional sections. Retailers in upper New York were the most aggressive, says Congra's Hughes, and they ran displays and ads each week for a month. "Our packaging, advertising and communication defined us as a unique new product, and the retail environment is very aware that the consumer is concerned with health," adds CME's Goertz.

CME's network tv ad campaign is as down-home as ConAgra's food. Chairman Harper discusses his heart attack and the need for good-tasting healthy food. He quips that his wife is after his job or, demonstrating his vitality, flies off in a bi-plane. In another commercial, *Family Ties*' Michael Gross jokes that he likes to be able to pronounce everything he reads in the labels, which is why he eats Healthy Choice. The tagline for the campaign is, "Listen to Your Heart. Make a Healthy Choice."

Print ads project the company's vigorous positioning.

The spots are unscripted, says Hughes. "They are legitimacy in a world of confusion about health claims." This spring, Bob Newhart's tv wife, Mary Fran, will do a testimonial for Healthy Choice entrees.

Healthy Choice print ads feature black-and-white "snapshots" of a grandfather or a father with children and a yuppie-looking couple, with the tag line "Listen to Your Heart." Unlike the tv campaign, however, they are blatantly comparison ads, listing the cholesterol, sodium and fat content of Healthy Choice's beef sirloin tips compared to that of Le Menu and Stouffer's, the leading brands last year. "There are a lot of people making claims, and claims can be pretty deceptive," explains Goertz. "But facts don't deceive, and we are very proud of our nutritionals. That is our reason for being." The company's broad print buy includes *Time*, *Newsweek*, *Life*, *Reader's Digest*, *Good Housekeeping*, *Cooking Light* and some health books. Both frozen dinners and entrees have a media budget between $12 million to $15 million.

Competitors, however, chide ConAgra for overstressing its numbers in calories, cholesterol and salt. Doug Haines, general manager, marketing, for Weight Watchers Frozen Entrees, says people should eat a planned, balanced diet and not fixate on one item. As it happens, Weight Watcher products are slightly higher in sodium than either Healthy Choice or Stouffer's Right Course. "It is unfortunate that some advertising is turning consumers' focus on a by-item basis," he says. "Healthy Choice's implied message is that every American needs to consume less than 1,000 mg sodium each meal." As he points out with some exasperation, Healthy Choice and Right Course don't have the range of entrees that Weight Watchers has. "We have the best 'Chicken Kiev' in controlled diet form," he insists.

Fighting over any corner of this newfound market, Weight Watchers has a new tv campaign touting that none of its items have butter, chicken fat, tropical oils or added cream. The campaign runs alongside its traditional Lynn Redgrave ad campaign. The company is also testing a 13-item breakfast line in the Los Angeles area.

"We have always stood for being an authority in nutritious weight loss," Haines adds. "Now we are being more specific about the benefits of Weight Watchers."

Others are giving ConAgra the "diet-or-die" end of the market and seeking their own market niche. Campbell Soup Co., maker of Le Menu Light Style, is repositioning its product to stress its nutritionals and why they are important. But it has higher levels of sodium, calories and cholesterol than Healthy Choice and Right Course which they readily admit.

"Healthy Choice's positioning is slightly different — for serious health concerns," says Jan Zielinski, marketing manager. "They built the product as a cure for heart attacks. We don't claim to do that." Le Menu's target is females 45 and older.

For its part, Stouffer's is certain it can spear a chunk of the nutrition market. Michael G. Audette, marketing manager of new ventures at Stouffer Foods Corp., launched Right Course last October into the much larger but more competitive $1.7 billion frozen-entrees market. Audette compliments ConAgra for its "good distribution, good store placements and sections" but adds, "The thing we bring to the party is Stouffer's quality, image and expectations of good taste."

Right Course entrees are anything but Middle American, which some retailers think is a mistake. "Chicken with Peanut Sauce," "Fiesta Beef with Corn Pasta" and "Vegetarian Chili" are some of its more exotic offerings. Healthy Choice entrees, by comparison, are more mainstream: lasagna, spaghetti and glazed chicken. " 'Beef Ragout' would sell better as 'Beef Stew,' " offers Portland retailer Gibbs.

"ConAgra came out with flavors like those that really sell well," adds Nakken. "I feel Stouffer's designed theirs not to take away from Lean Cuisine and Red Box." Retailers report it hasn't worked. In some areas, sales of Lean Cuisine are falling off dramatically.

Finally, Right Course advertising was scheduled to break with national distribution. But demand was so strong that national rollout was achieved within four weeks instead of the usual eight. This left retailers with a feeling Right Course lacked support even though its entrees' budget equals ConAgra's. Audette says that his tv campaign, based on a finger-snapping rock beat, was moved up a month to November when it became clear the product was taking off. Print ads just began in January.

The industry is watching closely as ConAgra squares off against Stouffer's in the competitive entree part of the freezer, wondering if Healthy Choice can do it again. "Healthy Choice has done a good job getting the concept over to the consumer," wagers Gibbs. Adds Campbells' Zielinski, "Healthy Choice is talking to a new population of men and women for entrees. It will be interesting to see what happens." ■

ADVERTISING EXPENDITURES

HEALTHY CHOICE Media Total (000)	BAR NETWORK TV	BAR SPOT TV	BAR CABLE TV	BAR SYNDICATED TV	BAR NETWORK RADIO	RER SPOT RADIO	LNA MAGAZINES	MR NEWSPAPERS	LNA SUNDAY MAGAZINES	LNA OUTDOOR
1988 $—	—	—	—	—	—	—	—	—	—	—
1989 Thru 3rd Quarter $4,238.9	415.0	2,552.4	7.1	—	—	—	1,264.4	—	—	—

Sources: Arbitron's Broadcast Advertisers Reports (BAR); Leading National Advertisers (LNA); Radio Expenditure Reports (RER); Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

CHARTS BY JAY STACK

TO THE MAX

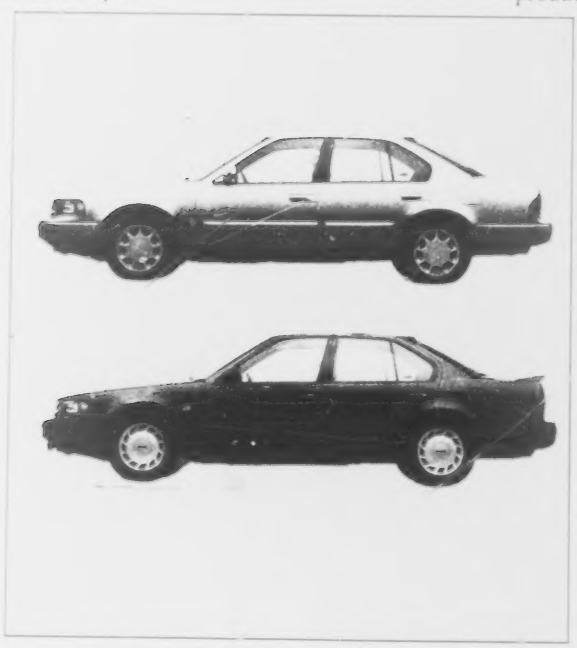
by Michael Garry

America's love affair with the automobile continues unabated. The problem for some, however, is how to keep sex in the marriage after the children arrive. Last year, one automaker set out to answer that question, and for many an aging boomer, they did. The solution: the Nissan Maxima.

The car's sleek styling and sporty performance, matched with practical aspects that make it ready and willing to serve in the kids' car pool, made the restyled Nissan Maxima one of the year's hottest cars. After several false starts since its introduction in 1982, the revved-up Maxima introduced in the 1989 model year sold 109,500 units, a 47% gain that made it the seventh best-selling imported car in the U.S.

At last, thirty-to-forty-somethings have a car that lets them meet adult responsibilities while holding onto their youth. "There are a lot of consumers who buy a sedan and think they are giving up the fun of driving," says John Rinek, national advertising/creative manager for Nissan. "But just because it has four doors doesn't mean it can't still be a sports car."

Equally appealing to consumers was the model's price tag. At about $19,000, with tax and license, it fell under its closest Japanese rivals — the Toyota Cressida (which sold 24,000 units at a $21,498 list) and the Acura Legend (65,000 units at a $23,400 list). "And the Maxima doesn't lack what the Cressida and the Legend have," says William Steele, an associate analyst for Montgomery Securities. True, there are other cars that blend four-doors with sports-car performance: the Audi 80 Quattro, the BMW 325i, the Peugeot 405Mi16, among others. But none do it at the Maxima's buyer-friendly price point.



It's a dream come true for the consumer — a point that served as inspiration for ad agency Chiat/Day/Mojo. Late in 1989, it introduced the "fantasy campaigns" for the Maxima and its line of sports cars, the 240SX and the 300ZX. They don't sell as many units as the Maxima, but they're just as hot. The $13,000 240SX was up 114% to 68,000 units last year, and the $28,000 300ZX was up 36% to 26,000 units.

It's a realized dream for Nissan, too, which had been struggling in the U.S. market since the mid-eighties. Its name change from Datsun to Nissan cost the company much of the brand equity it had built up in the 1970s, and a stodgy product line contributed further to sagging sales. But a major redesign has met with critical acclaim from the press and, more important, customers.

For instance, new car owners in 1989 rated the Maxima "the most trouble-free car in the U.S." in a survey of new car owners (the Initial Quality Survey) conducted by J.D. Power and Associates, the automotive consulting firm. That's high praise for any new car, since most are usually replete with bugs to be worked out. In the automotive press, *Automobile Magazine* named Maxima the best $20,000 se-

Nissan's Maxima sports sedan hits baby boomers where they live — and play.

Nissan Maxima

dan in its July 1989 issue. *Car and Driver* put it on its ten-best-cars list for 1989.

Nissan's 1989 Maxima was not only bigger than its predecessor, but offered an improved suspension and engine for better handling and zero-to-60 acceleration, says Nissan. "The Maxima drives the way it looks — fast," agrees Ed Miller, editor of *Ward's Auto World*. The car comes in two versions — the sportier SE, which includes a manual transmission and a rear spoiler; and the GXE, the luxury model with electronic features and leather seats.

Credit for the transformation of both car and company is given to Nissan's president Yutaka Kume, who took the wheel in 1985. Kume has fostered a kind of corporate glasnost in a company where executives had been afraid to voice their ideas, says Peter Brown, editor of *Automotive News*.

"It's amazing how fast he changed the culture there," Brown notes. "Nissan went from having hardening of the arteries to being a go-go company with exciting products." Adds Miller, "Kume's getting out of the way and letting people do their own thing."

The results in the U.S. have been very peppy indeed: Nissan boosted its North American car sales 8% in 1989 to 510,000 vehicles, while the total car market dipped 7%. Even more impressive, Nissan accomplished this without offering incentives for any of its new cars, including the Maxima. Its market share rose from 4.46% in 1988 to 5.17% in 1989.

Not all is gravy in Nissan-land, however. Sales of the Sentra were down 14% to 118,000 units, while sales of the Pulsar and Stanza also dropped. And the jury is still out on the Infiniti, Nissan's luxury model, supported by controversial Zen-inspired advertising that made a point of not showing the car until months after its introduction.

The Maxima campaign was more straightforward. All of the advertising for the Maxima stressed the basic message that "this was a four-door sedan with a difference," says Thomas Hushek, Nissan's national advertising manager. The Maxima received $28 million in media spending from January through September of 1989, according to Leading National Advertisers. Eighty-four percent of the '89 national spending was on broadcast, the rest going to print. Nissan plans a similar level of spending in 1990.

Nissan shifted some $2 million from print to broadcast in 1989, increasing the corporate share-of-voice from 4% to 9%, according to Hank Antosz, media director for Chiat/Day/Mojo in Los Angeles. "The battleground in the car business is on tv," he says. Especially for the Maxima, whose sportiness was calculated to appeal to the emotions, "we needed the more visceral medium of television," says Bob Kuperman, president of Chiat/Day/Mojo.

The tv commercials ran on sporting events and on prime-time shows such as *thirtysomething*, *China Beach*, *L.A. Law*, *Wise Guys*, *60 Minutes* and *20/20*. Print ads often took the form of clutter-breaking multi-page inserts.

Nissan's target audience for the Maxima SE was the 25 to 34 age group; for the GXE, the 35 to 49 age group; and in both cases, professionals and business executives with household incomes exceeding $50,000. Print ads specifically mention the car's suitedness for bankers, doctors and architects. *Forbes*, *Fortune* and *Business Week* were used to reach them.

Conspicuously absent from the Maxima campaign was the 1987 "engineers-around-the table" commercial that drew sneers from consumers and

JIM CACCAVO

The Maxima's four doors and sports-car handling gave Nissan's Tom Hushek and John Rinek a powerful message.

Nissan Maxima

dealers alike. However, the tagline introduced in that campaign, "Built For the Human Race," has been kept in the Maxima ads.

The initial series of tv commercials, which aired in December of 1988 and January of 1989, shows a racing garage. Down on a lift comes a sports car — and it's a four-door sedan, the Maxima. To reinforce the notion that, yes, there are four doors, mechanics enter the car followed by the thump-thump-thump-thump closing of the doors.

Appearing throughout 1989, another tv commercial, dubbed "Business Lingo," played up the Maxima's upscale target audience. The interior is described with such terms as "conference room," "executive decision making" and "client entertainment." In another scene, "Hostile Takeover," the Maxima is shown passing an Acura Legend. In "Risk Avoidance," the Maxima, carrying a group of well-appointed businesspeople, swerves around a truck.

The Maxima's print and tv advertising took full advantage of the positive response the car received in 1989. In June, for example, the results of the J.D. Power IQS survey "gave us a tremendous shot in the arm and validated what we were saying about the car," says creative manager Rinek.

The survey also revealed that — contrary to public perception — Nissan is the top-rated Asian automobile brand, followed by Honda, Toyota and Acura. The headline of a print ad trumpeting this news read, "Re-Orient Your Thinking." The ad also touted the Maxima's trouble-free standing. The print campaign broke in June of last year, running in the *Wall Street Journal, USA Today, Time, Sports Illustrated, Newsweek* and *U.S. News & World Report*. Negotiations by Chiat/Day/Mojo landed the ad on the first page, right-hand side, of the weeklies.

The campaign lasted two-and-one-half months, with ads running in at least one of those publications each week. The weeklies were used to exploit the news value of the J.D. Power report, notes Antosz. Nissan's cause was also abetted by J.D. Powers' own public relations for its survey.

In the latter part of 1989, Nissan introduced a tv "fantasy campaign" that has continued to run in 1990. The Maxima commercial shows a dream-like sequence of a sports car winding its way through the hills of Italy. The dreamer, in voice-over, points out the oddity of riding in a four-door sports car — yet, there it is. Suddenly the dreamer picks up his boss and others on a desolate road; as in the previous year's commercial, there is the quadruple thump of four doors closing. Miraculously, the car is transported to Wall Street. The message: The Maxima seems like a dream, but it's real.

A print campaign that ran in the auto-enthusiast books throughout 1989 and into 1990 again positions the Maxima for the yuppie executive market with the headline: "Big enough to hold a meeting; fast enough to keep it short." William Jeanes, editor of *Car & Driver*, praises Nissan for understanding the need to run consistently throughout the year in auto-enthusiast titles. Many people only pick up these magazines when they are shopping for a new car, which could be anytime during the year, Jeanes says.

While the national campaigns focused on the features of the Maxima — four doors, sports-car performance — regional efforts underscored the car's price value. Those efforts, primarily on local tv, also included newspaper and radio.

On point-of-purchase display materials and in a direct-mail campaign, Nissan made use of its positive press. The direct-mail effort was aimed at pre-'89 current Maxima owners, who were also invited to test-drive the '89 model; those who purchased it were given a free luggage set.

Print ads supported the direct-mail effort with an 800 number for a free preview kit that encourages a test drive at a local dealer. Test drivers who filled out an evaluation form were given a free flashlight. Chiat/Day says that 1,500 prospects — 4% of those who were sent preview kits — took test drives.

The direct-mail campaign, which won a 1989 Direct Marketing Association Echo award, ran from October 1988 to the following March. The campaign was tied to $19 million in Maxima sales, says Greg Madonna, management supervisor, Perkins/Butler, Chiat/Day/Mojo's direct marketing division.

Each level of advertising drove home a different positive message about the Maxima: the national ads spoke of its trouble-free status, the local ads trumpeted its price value and then dealer displays and direct-mail pieces played up the terrific press notices. "We had a multi-dimensional, coordinated campaign that reinforced our message every step of the way," says Hushek. "The nice thing about this story for us was that all of the marketing elements worked in harmony with one another."

Like any love affair, it's harmony and not sex that lets the relationship last. If Nissan can keep the balance for Maxima, the company and its market may be in this for the long run. ■

ADVERTISING EXPENDITURES

NISSAN MAXIMA

1988 $26,793.7	Media Total (000)	1989 Thru 3rd Quarter $28,210.3
11,832.7	BAR NETWORK TV	4,683.3
8,149.4	BAR SPOT TV	18,590.8
130.5	BAR CABLE TV	371.7
582.5	BAR SYNDICATED TV	45.3
—	BAR NETWORK RADIO	—
—	RER SPOT RADIO	14.5
5,940.4	LNA MAGAZINES	3,875.3
158.4	MR NEWSPAPERS	629.4
—	LNA SUNDAY MAGAZINES	—
—	LNA OUTDOOR	—

Sources: Arbitron's Broadcast Advertisers Reports (BAR); Leading National Advertisers (LNA); Radio Expenditure Reports (RER); Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

PAIN PAYS

by Michael Garry

It's not every product that can be dubbed the "pain machine" and still sell by the truckload. Yet the Epilady, a hand-held appliance that removes leg hair at its roots, has done just that. Despite a discomfort level so high that Joan Rivers jokes about it, Epilady had record sales of 3.5 million units in 1989, its third year on the market, which is an increase of 40% over 1988.

Last year's runaway success with Epilady was due in part to a well-executed move from exclusive department store distribution into the mass market. This unusual two-tier distribution strategy has put an "ultra" version in department stores and a no-frills model in mass-market outlets. As a result, the company made major inroads in its retail presence in 1989, carving out its own Epi Centers in mass-market stores and creating Epi Spas in department stores such as Macy's and Bloomingdale's.

But upstart importer Epi Products also greatly expanded its product line in 1989, becoming a major distributor of branded personal-care products. In the process, it doubled its sales to an estimated $200 million last year and positioned the brand name for even greater expansion.

In the Epi boutique overlooking the main floor of Macy's, for example, two sleek young saleswomen preside over a wide range of products. Besides the Epilady, the company's first and foremost product, there are: EpiSsage, a shower massager; EpiSauna, a facial sauna; EpiPed, a foot bath; EpiSmile, a tooth whitener; EpiBrush, with retractable bristles; and the EpiSsentia line of skin care lotions. On display is a yet-to-be named hand-waxing product. And later this year, the company will introduce the EpiDent, an electric toothbrush. There are products, as the company likes to say, for head to toe.

While the dual distribution system creates some friction with department store buyers, most retailers are bullish about the Epi line. At J.C. Penney, where the Epi merchandise is marketed in 500 of the chain's stores, sales of the products experienced "double-digit increases" in 1989, says Doreen Erickson, cosmetics buyer for beauty accessories. The Epilady has been an "extremely successful" product at Venture stores, says a spokesperson. The company also became something of a media darling in 1989, receiving coverage in, at last count, *People*, *Savvy Woman*, *Inc.*, *Fortune*, *Continental Profiles* and the *Los Angeles Times*.

Epi Products is run by three South African-born sisters, Arlene Krok, 30, Sharon Krok Feuer, 32, and Loren Krok, 24, who have rapidly earned a reputation as personal-care mavericks. Their first coup was getting the Epilady in the high-traffic cosmetics sections of department stores, rather than the sleepy small electrics department. "They rejected the traditional thinking regarding appliances," says Robert McKim, whose agency, Robert McKim Advertising,

A hair-raising experience, the Epilady has nonetheless sold in the millions and paved the way for an epi-demic of products.

ËPI PRODUCTS

has done some work for Epi Products.

But the sisters' biggest accomplishment was to take epilation out of the beauty salon and put it into the hands of any woman. Epilation — removing hair at the root — is used in leg waxing, but waxing is an expensive procedure practiced by only a small percentage of American women. Enter the Epilady, which uses a rotating coil to pluck leg hair. Women accustomed to shaving their legs regularly are supposed to get at least two weeks of smooth, hairless legs with the Epilady. The catch is that removing hair at the root — as women who have tried it know — can be an uncomfortable, even painful procedure.

Nonetheless, the Epilady has won more than its share of converts. The company claims it has sold 6.5 million units since unveiling the product in 1987. (Competitor Remington claims the figure is closer to 5 million.) The product skews towards a younger consumer, all sources agree.

The Epilady has captured a 9.4% share of the female shaving market, which includes depilatories, electric shavers and now epilation devices, according to Sharon Krok Feuer, the company's vice president of marketing. She says the company owns 85% of the hand-held epilation device market — the remaining percentage held by Remington's Smooth and Silky, a unit from California-based Emjoi Corp., and another unit called Finally Free. Meanwhile, Mepro, the Israeli manufacturer of Epilady, is suing Remington for patent infringement; in the U.S., the case was in the pretrial discovery phase at press time.

All the established personal-care companies, including Remington, Conair and Windmere, had a shot at importing what became the Epilady. And they turned it down, not wanting to risk their brand name on a machine that was painful to use.

But a fledgling company had nothing to lose in terms of brand identity, and a taste for financial risk runs in the

The high-kicking Krok sisters — (left to right) Loren, 24; Sharon, 32; and Arlene, 30 — celebrate their expanded product line.

family. The sisters' father, Solomon Krok, is a wealthy South-African entrepreneur. Back in 1987, he learned that the device, produced on an Israeli kibbutz, had become a big hit in Israel and Europe. With his Hebrew-speaking daughter, Loren, Krok negotiated distribution rights to the Epilady in the U.S., Canada, Australia and New Zealand. He turned over marketing of the product, dubbed the Epilady, to the three sisters, two of whom already ran a baby products company.

They proved to be brilliant at it. The Krok sisters made their first pitch to Bloomingdale's flagship New York store. In return for a spot in the high-traffic cosmetics department, they promised massive advertising support, in-store signage, video displays and live demonstrations to acquaint women with the ups and downs of the relatively unknown epilation process.

Bloomie's agreed to a test launch in 1987. "When they saw how forcefully we would stand behind the product, they figured they'd try it," says Feuer. After one week, the store sold 1,500 units; after a year, 71,000 units. On the West Coast, where Bullock's department store tested the product without advertising, it sold "phenomenally well," says Feuer. Three years later, the Epilady can be found in around 2,000 department stores, the company says.

The Krok sisters weren't content to market to just the upscale; they wanted

to conquer the mass market. They were also concerned that somebody else — especially Remington — might beat them to the punch. So they created the $89 Epilady Ultra for the department stores — an enhanced version of the original product, with three speeds, a cordless feature, an EpiMitt to help prepare legs for treatment, an Epi-Lotion moisturizer for follow-up and a leather travel pouch. Then, in August of 1988, they introduced the original Epilady, without embellishments and housed in a plastic clampack, to mass-market stores. It has a suggested retail of $55, but can be found for less.

Thus began the two-tier strategy in which the Epi line is sold feature Epi Centers — end-cap displays housing all of the products. The Epi Centers are supported by signs and video displays, but not live demonstrations.

Successful as it's been, the two-tier strategy is not without its problems. Some department stores complain that they are losing sales to the mass market. "They need to differentiate the mass-market products from the department-store products more than they do," says Erickson of J.C. Penney, which carries the ultra models.

Erickson's plan for 1990 is to advertise products sold only in department stores, such as the EpiSmile and the EpiSsentia line of skin creams. She will promote Epi's new EpiDent electric toothbrush only until it is released to the mass market.

The two-tier distribution strategy does hurt the department stores "a little," admits Feuer. But that's okay, because "the volume is in the mass market." Anyway, she adds, the more Epi sells, the more it can invest in demonstrators and other support for department stores.

Epi Products spent over $14 million on advertising in all media from January through September of 1989, and over $10 million during 1988, according to Leading National Advertisers. Epi's advertising is handled in-house, supported by Los Angeles-based Robert McKim Advertising and Fotouhi Alonso agencies. Media buying is handled by L.A.-based Western International.

Last year, 71% of year-to-date spending encompassed network (mostly prime time), spot and syndicated tv. The bulk of the remaining dollars went to multi-page inserts in national women's magazines. For the upscale market, the list included *Vogue*, *Elle*, *Glamour*, *Harper's Bazaar*, *Mirabella* and *Lear's*; for the mass market, *Good Housekeeping*, *Family Circle*, *Working Woman*, *Savvy*, *Seventeen* and *American Health*. Epi invested in outdoor advertising in Los Angeles, and at press time planned to unveil a billboard in the mecca of outdoor advertising — New York's Times Square. In 1990, Epi is entertaining plans to market its newer products to men, using male models in ads and advertising in some men's magazines.

Epi's ads support its basic strategy of introducing products at the department stores, and then six months later at the mass-market outlets. "We establish a product's luxury image at the department store, and then transfer that image to the mass market," says Robert Grossman, who heads Epi's in-house advertising department. Grossman adds that the products are close enough to "interchange values" but different enough to sell at different distribution levels.

Department store introductions are backed by spot television, upscale magazine ads and some local newspaper ads in major markets, while network tv is reserved for a product's mass introduction. Even trade-magazine advertising is two-tiered: *Woman's Wear Daily* for the department stores, *Home Furnishings Daily* for the mass-market.

Epi's packaging and print and tv ads refer — sometimes obliquely, sometimes directly — to the discomfort the Epilady can cause. One tv ad for the Epilady mini notes that "the more you use it the better it feels." A print ad suggests that the consumer purchase the EpiHeat, a heat pack that makes hair removal "dramatically more comfortable than ever before." Another print ad points out that "if you're very sensitive, there's some discomfort the first time."

"Some women don't feel much pain, or just a little — there's a range of reactions," says Feuer. "It does

ADVERTISING EXPENDITURES

EPI PRODUCTS USA INC	BAR NETWORK TV	BAR SPOT TV	BAR CABLE TV	BAR SYNDICATED TV	BAR NETWORK RADIO	RER SPOT RADIO	LNA MAGAZINES	MR NEWSPAPERS	LNA SUNDAY MAGAZINES	LNA OUTDOOR
Media Total (000)										
1988 $10,086.6	164.3	7,418.1	203.4	804.4	—	65.2	1,340.9	—	90.3	—
1989 Thru 3rd Quarter $11,589.2	1,312.4	5,284.2	375.6	1,387.6	—	1,185.6	1,743.6	260.1	40.1	—

Sources: Arbitron's Broadcast Advertisers Reports (BAR); Leading National Advertisers (LNA); Radio Expenditure Reports (RER); Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

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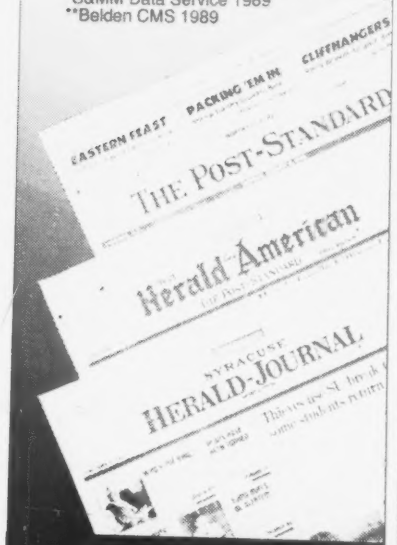


THE SYRACUSE NEWSPAPERS

ËPI PRODUCTS™

take getting used to." Women with lighter or finer hair fare better than their more hirsute counterparts. "And some people just can't use it," admits J.C. Penney's Erickson bluntly.

There's also a range of applications; some women use the Epilady exclusively, others combine it with shaving or waxing; some use it just on their arms or feet. The pained or perplexed can call Epi's toll-free number, 1-800-444-LEGS.

Only a small percentage of women return the Epilady to the store, says Feuer. If the product is properly demonstrated, the rate of returns should be low, observes Erickson. A spokesperson for Venture, a mass-market chain, says there are some returns, especially at gift-giving times. Remington's rate of return for the Smooth and Silky epilator is between 7% and 9% — much greater than the return rate for electric shavers, says Gold.

Performances of new products are mixed, but Epilady's pull helps pay for the unique introductions.

Recognizing that discomfort is the only impediment to much greater sales, Epi Products and the Israeli manufacturer are engaged in research to develop a more comfortable product. Despite the pain issue, the product continued to do bonanza sales during 1989, following up on its remarkable success in 1988. That trend, reported by the company, is substantiated at J.C. Penney and Venture stores.

The Epilady still accounts for more than half of Epi Products' overall sales volume, despite the introduction of numerous other products. Feuer expects the flagship product to dominate sales for another few years. In most cases, the Krok sisters either buy new products from their inventors, or, as with the Epilady, acquire distribution rights.

Loren Krok, for example, secured the distribution rights to EpiSmile from the New York dentist (also her dentist) who invented the tooth whitener/cleanser. The formula, originally marketed as Super Smile in a few local pharmacies, was renamed and added to the Epi arsenal.

While contributing to an overall sales increase for Epi, the newer Epi products have experienced mixed success. That may be because, unlike the Epilady, the other products don't satisfy as compelling a consumer need, says Suzanne Grayson, a California-based marketing consultant.

The EpiSmile, for example, was a very hot product for the company in 1989, outselling even the Epilady during its launch period at J.C. Penney. Penney's has also done well with the EpiSsage and a repackaged EpiSauna, but less so with the EpiPed.

A shower-massage industry source says that Epi overproduced the EpiSsage and has been suffering ample returns on that product. Remington's Gold comments that Epi has not been nearly as successful with its post-Epilady products. "They're starting to lose shelf space," he says. Venture has had "mixed success" with the more recent Epi introductions, says a spokesperson.

But Epi appears to have made a significant impact on the facial sauna business, where it is already number one, according to Martin Cohen, director of marketing for Kaz Inc., another facial-sauna company. Five years ago, notes Cohen, perhaps 150,000 units were sold industry-wide; last year, about 600,000 units were sold. "They've raised awareness of the category," he says.

Never content to stand still, the company is preparing to release still more Epi products in 1990. The emphasis, as always, will be on uniqueness. "You should always try to be a little different from everyone else," says Feuer. "Then people will admire you." ■

STILL WATER RUNS DEEP

by Joe Mandese

Three-quarters of the planet is covered with the stuff, and you can get it for free by turning the kitchen tap. So why would anyone pay $1.50 to drink a bottle of water? Especially one that's unflavored. Uncarbonated. Unfiltered. Unanythinged. For the answer to that question, ask any of the millions of Americans who made Evian the country's fastest growing water in 1989.

They are, after all, in a country that is in love with status symbols. A lowly commodity like water can confer status, and even a high price is not an obstacle, but an asset. "We are the most expensive water on the market — on purpose. We have positioned ourselves as the premium water brand," explains David Daniel, chief executive officer of Evian Waters of France Inc.

With virtually no other product distinction from the Earth's most pervasive natural resource, Evian does have a snooty address: the French Alps. And the region's famed restorative powers lends the brand a healthful image that has been key to its success.

"They are definitely the fastest growing brand in the business," notes Hellen Berry, associate director of marketing research for Beverage Marketing Corp., which estimates the brand grew roughly 30% on a dollar volume basis last year. According to the Impact Databank, Evian rose 14.6% to 10.2 million gallons in 1989, making it a strong number-two import behind the better-established but now imperiled Perrier. Evian's share of imports is 18.2% and growing, compared with Perrier's 57.2% share, which is now threatened by a worldwide recall after traces of benzene were found in some Perrier bottles. Evian's current share of the entire bottled water market is 2.2%.

But Evian's Daniel says that market share, in a category flooded by some 400-500 brands, is less meaningful than volume growth. And he claims that Evian, one of the few national brands in the water business, has more than tripled its business in the past two years. A former Pepsi-Cola Bottling Group marketing executive, Daniel became Evian's first director of marketing in 1987. His highly successful strategy has been to develop niche markets — sports, epicurean, even the baby market — through astute matching of creative and media.

Although Evian has been exported to the U.S. since 1905, it didn't take off until it began a modest, national print effort in 1984. Backed with a schedule in magazines like *American Health*, the heavily-muscled "Hard-body" campaign established Evian's connection to sports and fitness.

The campaign also contributed to a perception of Evian as the yuppie beverage of choice. While wealthy, young, urban professionals certainly became voracious consumers of the product, attitude and usage studies by Evian revealed that it actually had much broader appeal. "The first big finding came in 1988, when we burst the myth that Evian is just yuppie water," recalls Daniel. "We

Evian turned on the tap and poured its product into new market segments.

found that Evian had a much broader target of health-conscious consumers. Health is not a demographic factor; it is attitudinal."

But broadening the target placed a big burden on the tiny media budget. Although Evian has tripled its media spending every year since Daniel joined in 1987, it still is small for a national beverage brand — only about $2.5 million in 1988 and $5 million in 1989. The problem was how to leverage that sum to exploit untapped market potential.

"Basically, we're trying to reach people who drink water," says Daniel. "Effectively, our media target is adults 18-49." The solution was a media plan developed in 1989 that maintained the umbrella "hard-body" campaign in

Copy as pristine as the product.

national magazines and spot tv, combined with a highly segmented print schedule directed at specific market niches.

One niche ad directed at the fitness market shows various sized bottles of Evian and reads: "Some fitness equipment you can't buy at a sporting goods store." The ad was scheduled in vertical magazines such as *American Health*, *Men's Health and Fitness* and *Shape* and sports books such as *Tennis* and *Ski*.

Another ad aimed at the epicurean market was scheduled in food magazines such as *Gourmet* and city magazines, including *New York* and *L.A. Style*. It featured a photo of a delicious, but healthy-looking meal, accompanied by the headline, "To improve this meal, just add water."

A third ad depicted an Evian bottle with a nipple on it and the headline, "It's never too early." Directed at expecting parents, this ad was placed in magazines such as *American Baby*. (The copy notes that the French have a long history of using Evian to mix baby formula. Indeed, in France, doctors endorse the practice.)

Throughout the campaign, the almost subliminal message is that people who care about what they (and their children) eat should also be concerned about the quality of the water they drink. "We are dealing with a serious subject, and we want to send the message without intimidating people," explains Rob Rosenthal, senior vice president and management supervisor on the Evian account at TBWA, referring to the health-conscious undertone of the campaign. "Our attitude is that it is better to do it with a kiss than a punch."

Nothing conveys this better than the ad that went into health books, lifestyle and general interest magazines. There's a dramatic photo of the French Alps and the simple headline: "Our factory."

Although recent revelations about potentially hazardous benzene found in Perrier have observers wondering about opportunities and possible fallout for other bottled water marketers, Evian's Daniel says the firm does not plan to alter its marketing strategy. "It's not our intention to capitalize on anybody's misfortunes, but we think consumers believe in the quality and purity of our product."

Beverage Marketing's Berry believes the segmented advertising approach drove Evian's gains in 1989. "By becoming the bottled water for pregnant women, or sports enthusiasts,

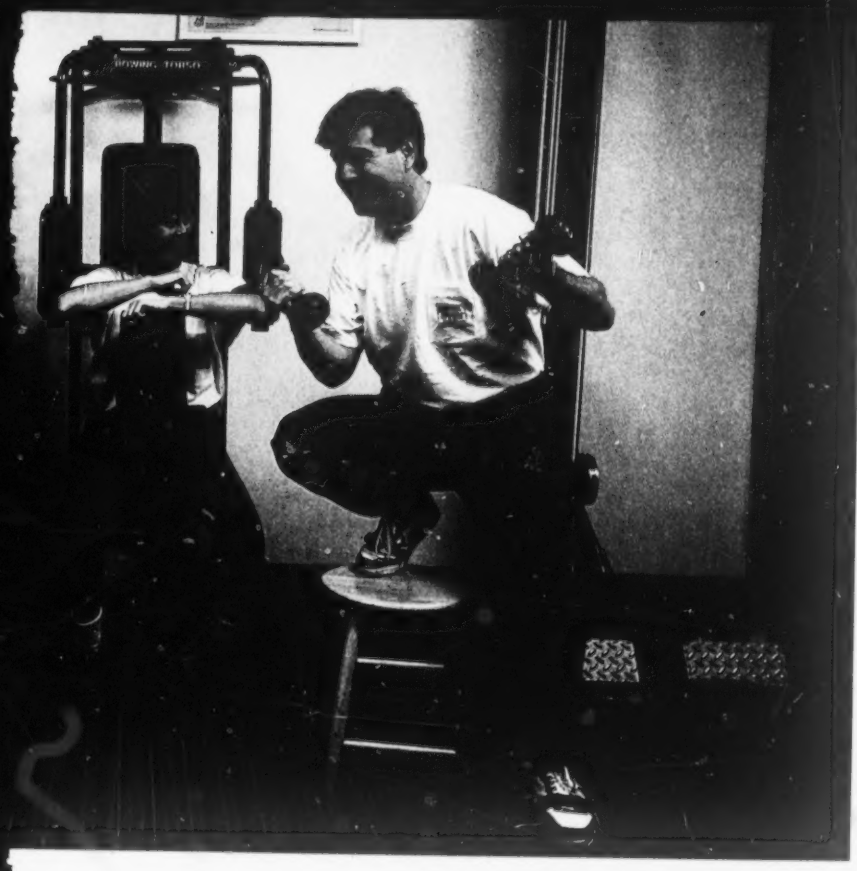
Evian's marketing muscle (from left): Tamra Siegel, Seth Matlins, Daniel, Maryanne Farrell, TBWA's Rosenthal.

or gourmets, they established a franchise with each group. All the targets they went after were right on, as were the media they used to reach them," she says. "They've drawn more attention to themselves than if they had just gone out there with one unified campaign positioning them as the 'crystal clear water from the mountains for France' à la the Canadian waters," she explains.

Print has served as Evian's national medium, while tv is the local tool — the exact opposite of a typical national brand. With a heavy spot tv schedule (about half the brand's media budget), Evian has gotten the message out in key markets. Among bottled water drinkers, Evian estimates that the brand enjoys an "80% awareness" level.

"We try to do two things with television," notes TBWA's Rosenthal. "It gives us access to virtually everyone, but to make it a little more targeted, we try to use programing that enhances our brand and image."

They try to reach as many potential users as possible by combining high-profile prime-time buys and heavy



ADVERTISING EXPENDITURES

EVIAN NATURAL SPRING WATER

1988	Media	1989 Thru 3rd Quarter
$2,418.3	Total (000)	$3,918.5
—	BAR NETWORK TV	—
1,394.2	BAR SPOT TV	2,439.6
57.5	BAR CABLE TV	55.8
—	BAR SYNDICATED TV	—
—	BAR NETWORK RADIO	—
136.3	RER SPOT RADIO	175.9
569.7	LNA MAGAZINES	1,047.3
36.6	MR NEWSPAPERS	—
212.3	LNA SUNDAY MAGAZINES	160.5
11.7	LNA OUTDOOR	39.4

Sources: Arbitron's Broadcast Advertisers Reports (BAR); Leading National Advertisers (LNA); Radio Expenditure Reports (RER); Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

weight in early morning news, late news and latenight. Citing the brand's high price tag, Evian's Daniel notes, "We're not a big daytime brand."

The plan also calls for tactical use of spot tv whenever possible. For instance, Evian sponsors pro basketball and hockey teams in New York and Los Angeles, two key markets. It gets heavy signage support and announces the "Evian Player of the Game," which reinforces the health and fitness message. Evian has no broadcast network budget, but it sponsors the U.S. Open tennis tournament on cable tv via the USA Network, as well as the Association of Volleyball Professionals.

Since Evian doesn't run rebates, coupons or other discounted promotions, Daniel says event marketing has emerged as a key component of the brand's sampling strategy. "Media has helped us create a very broad awareness, but it is not enough. We still need to get people to sample the product." At the U.S. Open, Evian sold about 100,000 bottles through concessions. The company also makes extensive use of races and marathons to get further sampling, a strategy that Perrier employed very successfully during the '70s and early '80s.

As for the non-sports market, Evian has run promotions with *American Baby* magazine. This included sample distribution through hospital maternity wards to new mothers.

The brand also uses its small radio budget to earn merchandising support from radio stations. "When you're a small company and you don't have money coming out of your ears, you've got to make sure you maximize all of your working dollars," explains Daniel. "But radio is strictly tactical for us." For instance, radio might be used to give away a week-long vacation in Evian, France, in order to generate displays and merchandising support in stores.

Cultivating stronger retail trade support has been key on Daniel's agenda. Toward that end, he adopted a new distribution strategy in 1989 that has strengthened the brand's trade muscle. Instead of using the traditional food broker distributor network, he signed with several soda bottling companies to distribute Evian water.

"It represents a major change from the bottler's perspective," notes Daniel. "Here are soft-drink guys making a major commitment to bottled water." But there was little downside to this strategy. Since the bottlers already have trucks on the road, it costs them little to add Evian to their system. Except for the costs of handling, profits can go straight to the bottom line.

Besides, the soft-drink business has been growing in the single digits, while bottled water is growing in the double digits. An Evian print trade ad reinforces this message. The ad features a giant waterfall and the headline: "The only water that moves faster than Evian."

Don't expect the onrush to stop. Daniel plans to double media spending each year and build market share until Evian is the number-one bottled water in America.

"Our basic strategy is that when we go into a market with media, we will really go," he explains. "We're not going to just go in with two weeks of television, or a couple of newspaper ads. We're there with a good tv schedule and some local print. When we go, it's because we've got a good distribution system, a good salesforce and the consumers are ready. We just open the tap." ■

GUY GILLETTE

FAST FORWARD

by Greg Clarkin

To Tom Gruber, there's not much difference between videocassettes and hamburgers. "The same marketing factors at work in fast-food retailing are at work in video retailing," says Gruber, a former marketing executive at McDonald's and now senior vice president, chief marketing officer of Blockbuster Video. Given Blockbuster's tactics and their results, it's hard to argue with him.

In a classic illustration of how marketing concepts can cross business borders, Blockbuster has taken the principles of McMarketing — fast service, convenient locations, family orientation and kid appeal — and applied them to the home-video retail business. As a result, the company moved in 1989 from regional heavyweight to true national leader in an industry where, just two years ago, national was a goal rather than a reality.

System-wide revenues from both company-owned and franchised stores are estimated at $600 million for 1989, a stunning 133% gain over 1988's results. The quarter ending December 31, 1989, marked the company's 12th consecutive profitable quarter. Revenue for that quarter was more than $130 million, compared to $66 million for the same period of 1988. Income for 1989 is estimated at $40 million after taxes for Blockbuster, and earnings-per-share were up 128%, from 25¢ per share in 1988 to 57¢ in 1989.

Blockbuster began with one store in 1985, grew to 415 by the end of 1988 and today boasts more than 1,000 outlets. The company estimates that in 1990 more than 200 million tapes will be rented at Blockbuster outlets, at the company's rental rate of $3 for three evenings. And Blockbuster plans to open more than 400 stores per year for the next few years.

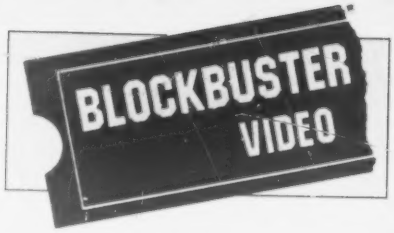
"They've basically brought to the video industry the same sophisticated and slick marketing style that made McDonald's a worldwide success," says Bruce Apar, editor of *Video Business*, a trade magazine following the industry. "The word I use," adds Gary Jacobson, a analyst with Kidder, Peabody, "is professionalism."

Any comparison to McDonald's is hardly coincidental. Besides Gruber, Blockbuster's executive roster also includes Luigi Salvaneschi, a former vice president of corporate real estate for McDonald's, now president of Blockbuster. The company also uses as its ad agency the Kansas City-based Bernstein-Rein Advertising Inc., which has worked regionally with the "Golden Arches" for close to 25 years.

Gruber admits many of the marketing elements that he employed at McDonald's are at work with Blockbuster. "The longer I'm involved and the more retail operations I see, the more I realize that marketing concepts and techniques are universal," he says. "There are great similarities between the target group at McDonald's and the target group here. We're both primarily marketing to families."

Both chains are guided by one principle: give people what they want and make

With McDonald's as a model, Blockbuster is reeling in customers and shows no sign of slowing down.



them feel good about it. For Blockbuster outlets, called superstores, that means offering more than 10,000 tapes and approximately 8,000 titles, a far cry from the selection just a few years ago. "When the industry started, all that was available were 200 or 300 legitimate movies and a lot of pornography," Gruber says.

It also means packaging the chain in a wholesome way. Much of the chain's marketing success is based on the simple fact that it doesn't carry X-rated tapes and instead bills itself as "America's Family Video Store." That stance, which serves as a central theme in its advertising efforts, has given the company a squeaky-clean image with consumers.

It hasn't all been pretty: Bear, Stearns sent Blockbuster's stock into a tailspin last May when it called the company's accounting procedures into question. That reminded many that the Blockbuster chain is led by chairman H. Wayne Huizenga, a founding partner in Waste Management, the waste disposal giant. Huizenga's successful and controversial tenure with Waste Management included SEC charges of illegal payments (the charges were settled without judgment). He bought into Blockbuster in 1987 and became chairman when the chain's founder, David Cook, left to start a company specializing in computerized toll-booth cards.

But the stock regained some momentum as other houses responded in defense of Blockbuster. Before the Bear, Sterns report, the price was $35. It rebounded to $26 and split two-to-one later in the year. It's trading around $15-$16 today.

Before Blockbuster came on the home-video scene, each market was served by a regional chain and a variety of mom-and-pop stores. To move beyond the fragmented norm, Blockbuster forged a national identity using the "cluster concept." According to Gruber, the company opened a concentration of outlets in a given target market, one market at a time.

Chairman H. Wayne Huizenga brought money — and a dash of controversy — to the chain.

To build a base of heavy users, Blockbuster sites are most often located near routes that are well traveled by commuters. "Success is built on their loyalty," Gruber says. Today, the company is in 133 television markets representing between 75% to 85% of the United States population.

Because of the cluster approach, past Blockbuster advertising relied on regional television and radio buys, while newspapers, magazines and outdoor were used to a lesser extent. Bob Bernstein, president of Bernstein-Rein, says each Blockbuster store opening is treated as a community event, with a large amount of local advertising leading up to the grand opening. Leading National Advertisers puts January-September 1989 spending at $10.3 million, mostly in spot television.

Now the company believes it has enough outlets to justify a national television advertising campaign. The first television spots broke the first week of 1990 in a $25 million campaign from Bernstein-Rein and aired on *The Tonight Show*, *The Pat Sajak Show* and *The Arsenio Hall Show*.

All totaled, Gruber says the company will double its advertising and promotion budget for 1990. "Systemwide marketing, including advertising, promotion and a small amount for public relations, for last year, was in the $25 million range. This year it will probably be in the mid-$50 million range, with 60% to 65% going towards television," Gruber says. Both company-owned stores and franchises contribute to a national marketing fund and local advertising fund. Approximately 55% of the Blockbuster outlets are company-owned.

With VCR penetration at about 66% of U.S. households, the company sees a wide target audience that includes children and their parents, as well as teenagers, who are heavy renters. Specific audiences are adults ages 18 to 49

ACEY HARPER

and children ages six to 12, says Bernstein.

Kidder, Peabody's Jacobson points to Blockbuster's kids efforts as a big contributor to its quick success. He says the thinking is: If you reach the kids, the rest of the family will follow. To that end, Bernstein has created the Blockbuster Kids, a group of four characters designed to appeal to children. The Kids include Player (the leader), Stopper (who stresses safety), Rewind and Slo-Mo, as well as their dog, Pause. The group can be found at any Blockbuster store opening. Now plans are underway to turn them into an animated series.

Each Blockbuster location also features approximately 40 titles recommended for children based on their educational and entertainment value. And every location has a clubhouse for kids that Bernstein said doubles as a "video babysitter" for parents. The clubhouse has televisions and toys so parents can leave their children while perusing the rentals.

Last April the company tested its free-of-charge KidPrint program in St. Louis and Kansas City and plans to roll it out nationally later this year. Children are videotaped as they state their names, address, and height, and a copy of the tape is given to parents and local police.

KidPrint proved successful in those test markets, attracting more than 1,200 children at just three stores in St. Louis and more than 1,000 at nine stores in Kansas City. The program generates a significant amount of goodwill between Blockbuster and the local communities, as well as a lot of local media coverage.

Moving up the age scale, Blockbuster has a number of programs designed to boost its image with parents. The chain's "Youth-Restricted Viewing" program prohibits children under the age of 17 from renting R-rated titles unless they have written permission from a parent. These policies help soothe parental fears that their teenagers will come home from the video store with a splatter movie or something equally offensive.

Each Blockbuster outlet also features the "America's Most Important Videos Are Free" program. This program offers free rental on a number of public-service tapes covering such topics as fire safety and parenting. The company also believes it was the first video retailer to offer gift certificates in a program that kicked-off at Christmas in 1988.

"Marketing concepts are universal."

Tom Gruber
Senior vice president, chief marketing officer, Blockbuster Video

Despite predictions of flat growth for the industry, Gruber says the state of the industry "has nothing to do with Blockbuster." His example is inevitable: The fast-food industry has softened in recent years, yet McDonald's is expanding. "We'll continue to grow, perhaps at the expense of others who aren't providing the customer with some services," says Gruber.

Tom Adams, an analyst with the Carmel, Calif.-based Paul Kagan Associates, estimates that there are approximately 30,000 home video stores in the United States, and the top chains account for a small percentage. "It's a very unconsolidated business at this point, and Blockbuster is head and shoulders above two-thirds of the other stores out there," Adams says. "The growth will probably come out of other people's hides."

Still, well-funded and aggressive regional entries such as Palmer Video, Applause Video and Erol's, as well as the smaller national chain of West Coast/National VIdeo, aren't about to surrender. Indeed, Blockbuster has had mixed success competing with many of these chains. And, while most regionals don't harbor national aspirations, Blockbuster does and makes no bones about the fact that it will go head to head in almost any market, no matter what the competition.

That hasn't prevented Blockbuster from expanding its goals. Blockbuster management bullishly hopes to have 3,000 stores open in the next few years, including moves into the overseas market. The company presently has 11 stores in England and hopes to have 50 there by year's end. Gruber says the VCR penetration levels there are roughly the same as in the U.S., but there aren't as many video stores offering the number of tapes Blockbuster does.

And why stop there? Gruber says the company is exploring outlets in locations as far flung as Australia and Japan. As Blockbuster sees it, America's Family Video Store may be just what the world needs. ■

ADVERTISING EXPENDITURES

BLOCKBUSTER VIDEO

1988	Media	1989 Thru 3rd Quarter
$2,463.3	Total (000)	$10,326.1
—	BAR NETWORK TV	—
2,060.7	BAR SPOT TV	9,278.2
—	BAR CABLE TV	17.5
—	BAR SYNDICATED TV	—
—	BAR NETWORK RADIO	—
199.3	RER SPOT RADIO	369.7
13.1	LNA MAGAZINES	296.1
100.8	MR NEWSPAPERS	136.3
—	LNA SUNDAY MAGAZINES	—
89.4	LNA OUTDOOR	228.3

Sources: Arbitron's Broadcast Advertisers Reports (BAR); Leading National Advertisers (LNA); Radio Expenditure Reports (RER); Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

COLD GOLD

by Jean T. Barrett

Miller High Life had hit new lows. By 1985, the brew had lost almost half its volume in five short years, free-falling from 23.1 million barrels in 1980 to 12.1 million in 1985, according to Impact Databank. Sure, Miller Lite had picked up some of the slack, about 5.7 million barrels worth. But the once-golden Miller brand name was quickly losing its shine, and Lite couldn't save it all by itself.

Luckily, it didn't have to. That same year, Miller introduced Miller Genuine Draft, its cold-filtered, premium-priced line extension, in test markets. Deliverance! Genuine Draft climbed from a modest 100,000 barrels in its debut year to a lusty 4.6 million barrels in 1989.

It also took great pleasure last year in leaping onto the list of the top-ten selling beers, kicking out Michelob from arch-rival Anheuser Busch. And it seems to be continuing its heady performance — Miller executives are projecting gains in 1990 consistent with last year's rise, which finished at about 800,000 barrels.

"The exciting thing is that we're seeing continued accelerated growth in its strongest markets [the Midwest and the West], along with encouraging growth in markets where it's not as developed," observes Chuck Schmid, vice president of marketing for Miller Brewing, a subsidiary of Philip Morris. "Its popularity and volume are growing as it moves across the country."

"It's a beautiful thing," agrees Mary B. Seggerman, premium category director for Miller. "Genuine Draft is the only premium [full calorie] beer that's growing, and it's growing by leaps and bounds."

Bud Light and Coors Light, neck and neck in the number three and four slots, were also star performers in 1989, but much of their kick comes from the trend to low-alcohol, low-calorie beers. The performance of Miller's fledgling brew bucks the trend in full-calorie entries while giving its Miller brand name a much-needed boost in a troubled beer market.

According to the monthly trade publication *Beverage Industry*, beer consumption in the U.S. declined by 0.5% last year to 186.9 million barrels. Over the past decade, beer consumption has remained essentially flat and per capita consumption has declined.

The result? A veritable barroom brawl among brewers. Industry leader Anheuser-Busch, number two-ranked Miller and the feisty Adolph Coors Company all improved their positions in 1989, posting gains in volume and market share at the expense of struggling competitors, such as Stroh and Heileman.

Aggressive discounting on the big two helped. Analyst Roy Burry, who covers Philip Morris for New York's Kidder Peabody & Co., says that price shaving on Miller Lite, High Life and, to a lesser extent, Genuine Draft boosted the number-two brewer's volume across its line. The same strategy worked for compet-

Miller Genuine Draft blew into the top ten in 1989, much to High Life's relief.

itor Anheuser-Busch.

For Miller, the success of Genuine Draft has been critical. Analysts say that in recent years, High Life has failed to attract beer's most important market — young men in their twenties. Not only do they drink a disproportionate amount of beer — they are forming brand loyalties that may last a lifetime.

That's where the importance of Genuine Draft comes in. The brand has built a high-quality image with this young group. "There's no doubt that Miller Genuine Draft saved the Miller name in the regular beer category," reports Burry.

Miller knew it had tapped into a hot concept with Genuine Draft. The beer has a unique point of difference: It is cold-filtered, not heat-pasteurized, lending it, says the brewer, the fresh taste of real draft beer. Miller purchased the North American rights to the proprietary method, called ceramic cold-filtration, from the Japanese brewer Sapporo, investing some $100 million in the technology. In ceramic cold-filtration, the beer is rendered shelf-stable by forcing it through a ceramic filter, which removes microscopic impurities. Other major beer brands are heat-pasteurized.

The brand's positioning grew out of its production method. "Based on the fact that we do have this innovative, contemporary brewing process, this breakthrough in brewing, we have positioned the beer, from an image standpoint, as very contemporary, a cut above the rest," observes Thomas Cardella, brand manager for Miller Genuine Draft.

In the early days of the brand's introduction, the challenge faced by Miller's agency, Backer Spielvogel Bates Inc. (BSB), was to educate beer drinkers on the product concept — packaged draft. The first commercials, says BSB senior vice president Tom Cotton, were product-oriented, hitting hard on the message that now consumers could get real draft beer taste — the kind they had always enjoyed in bars and restaurants — in a bottle.

Gradually, the advertising evolved to include user imagery, but hardly conventional vignettes of hale and hearty guys tipping a few brews. The current incarnations show surreal incidents whereby Miller Genuine Draft ads — one on a billboard, one in a magazine — come to life and transform steamy situations into icy, snow-filled scenes, supporting the brand's cold-fil-

JOHN NIENHUIS

Chuck Schmid says they used a market-by-market approach.

tered positioning.

The spots are attention-grabbers and that's no accident. "With the saturation and the clutter that exists . . . it's important that you maximize your media spending with creative that delivers your communication points, but does it in a way that captures the imagination and the attention of your target," says Cardella of Miller.

BSB executive director and co-creative director Nicholas Gisonde recalls one spot, "Roadhouse," that was tough to sell to the client. "There's a strong need on clients' parts to show their beer drinker," observes Gisonde. "We presented a spot that didn't show the beer drinker at all; it was really very mysterious." The ad shows glimpses of a man entering a roadhouse, ordering a beer and leaving; as he enters, a dusty, broken down jukebox lights up and begins to play and other bar patrons take notice. "The client commented that it was either going to be real good or real bad, because it went totally against everything you try to do in beer advertising," laughs Gisonde.

By not presenting the protagonist, the commercial permits the viewer to imagine himself as the mystery man. "In that spot, we show more of the attitude of the guy we're talking to than if we actually showed a great-looking character actor," Gisonde explains.

"It's a very, very elusive target," acknowledges BSB senior vice president and group media director Gil Farley. "My son is 22, and his media exposure opportunities are, at best, eclectic, all over the map, and he probably fits the pattern. They're a tough target to make an impression on because of their lifestyle; at the same time, they represent a tremendous opportunity to us, and we've been quite successful at it."

As with any hot beer brand, Miller throws a lot of money at its target. In 1988, Miller Genuine Draft was supported by nearly $62 million in measured ad spending. Leading National Advertisers' data for the rolling year ended September 30, 1989, indicates spending levels of some $50 million.

Miller won't release the percentage of spending allocated to various media, but most of the money is gobbled up by network tv, according to LNA, and the bulk of that goes to network sports programing because of its efficiency. When they sponsor a game, Cardella says, they go the distance. "We always try to make sure that we have a multiple number of units per game, so that we do have a significant presence in a particular event."

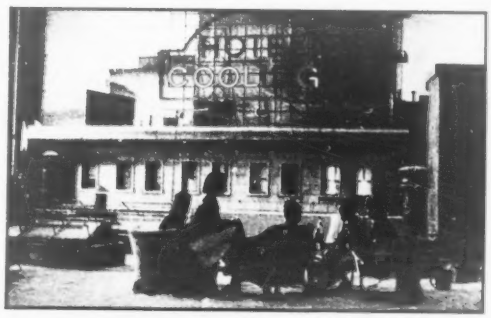
While he continues to buy network sports, BSB's Farley is chagrined at the price tag. "Everything is up for renewal now, and you read in the press about the rights fees that have been paid by the networks," laments Farley. "We're not committed to sports at an unlimited price."

The Genuine Draft schedule is rounded out by other network tv programing, including late night shows such as *Late Night With David Letterman* and *Saturday Night Live*. As with sports programing, when the Miller Genuine Draft team commits to a show, they seek a dominant presence, running numerous spots in rotation.

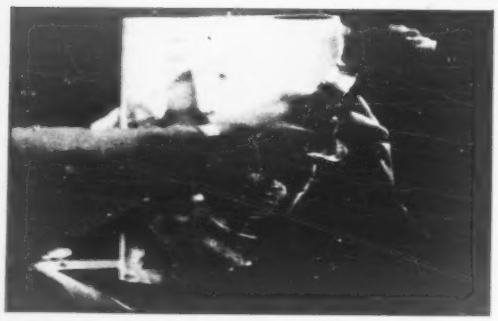
The national media program also includes some prime-time tv, as well as network radio and print, "primarily contemporary adult publications with male readerships — *Sports Illustrated*, *Rolling Stone*, *Penthouse*," explains Miller's Cardella. An extensive local plan includes spot radio programing and spot tv and outdoor in large metro markets.

Key to the success of Miller's media buying is the topspin it receives through extensive merchandising efforts. Genuine Draft is heavily involved with rock music, sponsoring music venues around the country as well as specific concerts. In markets

A billboard comes to life to break through tv's clutter.



A cool attitude has as much to do with Draft's success as does the cold filtering.



A magazine ad offers some chilling relief in one tv spot.

where they sponsor a venue, says Cardella, the brand goes in for heavy merchandising and cross-promotion with radio stations, offering free tickets to stations for giveaway, running consumer sweepstakes and, where legally permitted, entertaining retailers at private back-stage parties.

Three years ago, Genuine Draft took over a Miller High Life promotion called the Band Network, in which the brand sponsors 25 to 30 regional club bands around the country. Cardella estimates the brand gets exposure in 4,000 to 5,000 appearances annually through the Band Network, which is handled by Gary M. Reynolds & Associates, a music and entertainment promotional merchandising firm based in Brookfield, Wisc. When Genuine Draft buys ad space in music-oriented publications such as *Spin* and *Rolling Stone*, they also push for editorial support of its bands and music venues, adding more bang for the advertising buck.

Miller's Genuine Draft strategy emphasizes local tailoring of marketing efforts. "Instead of having some kind of a blanket approach, we look at how the brand is developing in each individual market," explains Schmid. "For example, we're a 10-share brand in California now. What we need to do to take it from 10% to 15% of the market in California is different from what we have to do here in Wisconsin, where we have 7% and want to get to 10%. The main thing we do [on the national level] is make sure that we have a strong, consistent national image for the brand . . . and then we tailor marketing programs to develop the brand in individual markets based on where it is at that particular time."

The Miller-BSB team is not averse to intensive tailoring of ads and even entire campaigns. Last summer, they decided that the brand wasn't doing nearly as much business in Atlanta as it should be, so the team did some field research. "We learned that a lot of young adults called their city 'Hotlanta,' " reports BSB's Cotton. That was translated into a self-contained tv, radio, print and outdoor campaign themed around the line, "Hotlanta needs the cold one." Cotton says the campaign was "very expensive and very worthwhile."

Not surprisingly, all this success with suds has the competition — read Anheuser-Busch — sniffing cautiously around the packaged-draft category. The Miller team asserts that A-B is now dropping language such as "cold-filtered" into its ads at every opportunity. And Anheuser-Busch went national in February with a line extension of the fifth-largest beer brand, Busch, called Busch Light Draft, which the brewer says is cold-filtered.

But Bob Merz, group brand director for A-B, says cold-filtration was the brewmaster's way of producing a light version of Busch with the right flavor profile, and he emphatically denies the leading brewery is grabbing onto Miller's coattails. "It's not an attempt to enter that category, because for one thing, we don't really think it *is* a category," Merz says disdainfully. "We don't think there's been enough volume generated to say 'Hey, there's a draft category out there.' We don't think the product differentiation is strong enough for most consumers."

Gary Hemphill, editor of *Beverage Industry*, feels that A-B's caution probably makes sense. "If Anheuser-Busch comes out and introduces a packaged-draft product and really markets it as that, then they legitimize the category," he observes. "It may sound strange, but that could help Genuine Draft. So I think their thinking was to go with the dry category and hope that its sales would leapfrog over the draft category."

Who guessed right, Miller or Anheuser-Busch? No one knows yet, but Miller's still putting a lot of heat behind its cold-filtered powerhouse brand. They've just inked a contract with Dennis Miller, the comedian and *Saturday Night Live* news anchorperson, to do advertising and promotional activities for the brand. And they're getting involved this year with motor sports — Miller Genuine Draft will sponsor the Rusty Wallace Blue Max Racing Team in NASCAR racing and will underwrite Patrick Racing's team with Roberto Guerrero at the wheel in this year's Indianapolis 500. BSB is brewing up a print ad campaign tailored specifically to motor-sports publication.

Notwithstanding its success so far, Miller's cold-filtered brand will probably need every last ounce of support in the coming decade. Industry pundits say the marketing environment isn't getting any cushier. Frank C. Walters, director of research for *Impact* and *Market Watch*, feels that beer marketing "is going to be harder in the '90s. I think beer on a volume basis peaked in 1989. Over the rest of the decade," says Walters, "I don't expect volume to maintain present levels."

Says Hemphill of *Beverage Industry*, "This will be really an interesting year for the beer industry, because there are a lot of categories like the dry category, like the packaged-draft category, where the question is: Do they have staying power? This year will probably tell." But it looks like Miller Genuine Draft is on the right course. "I really think that there's a market for packaged draft products," says Hemphill. "The dry category might be a little more questionable." There's a pause. "Yes, this is going to be one of the most interesting years in a long time for the industry." ■

ADVERTISING EXPENDITURES

	BAR NETWORK TV	BAR SPOT TV	BAR CABLE TV	BAR SYNDICATED TV	BAR NETWORK RADIO	RER SPOT RADIO	LNA MAGAZINES	MR NEWSPAPERS	LNA SUNDAY MAGAZINES	LNA OUTDOOR
Media Total (000)										
1988 $61,641.3	44,213.3	8,258.3	2,046.7	11.8	—	5,176.4	857.9	—	—	1,076.9
1989 Thru 3rd Quarter $40,352.2	20,317.5	6,778.4	1,939.2	801.1	—	6,965.4	2,029.3	—	—	1,521.4

Sources: Arbitron's Broadcast Advertisers Reports (BAR), Leading National Advertisers (LNA), Radio Expenditure Reports (RER), Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

LOOKIN' GOOD

by Brian Bagot

When it comes to home care, it doesn't get more basic than paint. And to date, for those involved in producing this maintenance staple, basic is the word that best described their marketing efforts. Dutch Boy Paints, however, has shown its competitors just what a fresh image can do for an otherwise drab industry.

In a five-year repositioning plan that concluded in 1989, the Dutch Boy brand peeled off the lackluster advertising of the paint industry and rolled on a high-class, quality positioning in its successful bid to capture young fashion-conscious adults. By targeting 18-34-year-olds and giving an upscale, fashion image to the Dutch Boy brand, marketing management has helped move the brand's share from 3% in 1984 to 5.8% in 1989, including a gain last year of 0.6 percentage points. Today, Dutch Boy holds the number-four position in the $2.4 billion do-it-yourself paint market, behind Sears, with 15%; Glidden, with 14.5%; and Sherwin-Williams, with 10%. And with Dutch Boy's 1990 move into Sears for national distribution, further share gains are almost a given for the brand in the year ahead.

That performance is even more impressive when put in perspective. Last year's $4.4 billion in total paint sales, which translates to 531.1 million gallons of paint, is a continuation of a slow-growth pattern for the industry. With only 2% annual unit growth, any share gains have to come from competitors, and the management of Dutch Boy, which was acquired by Sherwin-Williams in 1980, set out after them with a vengeance.

The first years of the five-year plan were concentrated on changing packaging and color systems, as well as key retailer promotions, which included local sweepstakes. Then in 1988, the company used tv to introduce "The Look," an image campaign that changed Dutch Boy into a customer-driven marketer. "They gave a rather boring product a fashion image rather than try to sell it based on a chemistry lesson," says Charles Cerankosky, an analyst with Prescott Ball & Turben, a Cleveland-based brokerage house.

The 82-year-old Dutch Boy actually is marketed under four different labels. The flagship Dutch Boy brand is sold through home-improvement stores (and recently in a few Sears markets in test for the national roll-out). Performer and Fresh Look, two labels made exclusively for K mart by Dutch Boy, still feature the Dutch Boy name and logo on the label, thus benefiting from the image campaign. And Dutch Boy's Chemtone, another controlled label, is sold through discounters. Overall, unit sales for Dutch Boy increased 3.4%, outpacing the market. But sales of the satin-finish line, which is the focal point of the ad efforts, shot up by 21.6% in 1989.

With the theme "The Look that Gets the Looks" tying together all advertising, merchandising and point-of-purchase materials, the "Look" campaign for satin

By rolling on a quality image, Dutch Boy near doubled its share while holding its price.

finish created something unique for paint — a hot product that held its price points. The cost to get this new quality image across during 1989 was $7 million, according to its agency, Griswold Inc. of Cleveland.

"The difference is whether you look at paint as a manufacturer or look at it as a marketer," says Peter Balint, director of marketing and advertising for the consumer division of Sherwin-Williams Co. "If you look at it as a manufacturer, that's like looking at beer and saying, 'Well, it's got hops and barley,' and trying to sell that. We found that what the consumer is really buying is a finished look."

Balint admits that the product's attributes, such as one-coat coverage, are important, but he adds that consumers already expect them. "They understand that the product is going to have all these attributes, and that stuff has to be there," he says. "But when Mr. and Mrs. Jones buy that product, they're looking for the end result — What will their space look like? We wanted to focus in on selling that."

Another motivation behind the targeted image effort, based on Dutch Boy's consumer research, was the strong brand loyalty within the product category. The company found that once people started using a brand, they tended to stick with it as long as it was easily available and performed to expectations. The decision was made to generate trial and attempt to get the younger first-time user hooked.

"We looked at the demographics and found that 18-34 was about 27%-28% of the total market, and they were the highest percentage of the heavy users as well," says Balint. "So instead of trying to address 25-54, which may be 80% of the market, we decided to really focus on this 18-34 group."

With this decision, Dutch Boy reassessed its media placements. In television, its conclusions led the company, via its agency, to some pretty unorthodox programing for the paint industry. Previously, Dutch Boy had followed its national competitors into the evening news and other programs oriented toward a larger demographic group. Little prime time or daytime were used. Now, MTV, VH1 and *Late Night With David Letterman*, once interesting ideas, are brought into the mix. In addition to these, prime-time spot on programs such as *The Wonder Years* and *thirtysomething* were bought in 17 markets in 1989 at a cost of about $3.2 million, up from 10 markets a year earlier. Also included in the mix is the *Home Show*, ABC's daytime attempt at reaching younger housewives. National broadcast spending was about 20% of the overall budget, totaling $1.4 million.

Now that Dutch Boy is running on these nontraditional outlets, Balint feels that competition for attention has spread beyond paint to include big spenders like Anheuser-Busch, P&G and Pepsi, so production values have to be high. "When you're on the tube, the consumer doesn't say, 'Well, that's the paint category, so that commercial doesn't have to be the same caliber as beer,' " Balint explains.

Besides prime time and music-video cable stations, The Weather Channel serves as another strategic cable venture that has helped push Dutch Boy paints across the counters of home-center stores. Looking at the relationship between paint sales and the weather, Balint says the company found that "consumers really have a problem in trying to decide if they're going to do the project this weekend or next." To help consumers plan their painting projects around the weather, Dutch Boy is sponsoring the "Weekend Weather Outlook" on the cable net, while The Weather Channel produces "infomercials" that offer handy painting tips to do-it-yourselfers in a segment called "The Weather and Your House." Retailers are encouraged to mention in their advertising that if customers are planning to paint, they should check the Weather Channel for the "Weekend Weather Outlook" from Dutch Boy.

DIANA McNESS

Dutch Boy's Balint, left, and vice president, sales and marketing, Scott King turned to Griswold's Weber (right) to help shake up the media plan.

To increase reach and frequency, as well as provide a destination for consumers, spot radio was used last year, at a cost of $1.7 million in the first three quarters, according to LNA's Radio Expenditure Reports. Primarily, the top three or four young-adult oriented FM stations in a market were used. Plans this year, however, do not include radio, except on a selected spot-market basis.

Dutch Boy's print campaign, which totaled $700,000 last year, moved from what Balint describes as "screwdriver books" into three categories of magazines — lifestyle, lifestage and home fashion. Jeff Weber, vice president, account supervisor at Griswold, echoes Balint's reasoning regarding such choices. "Why should we advertise in all those books where all the other paint people are? We chose to go into something a little different, where our mes-

sage might stand out."

Balint points to *Cosmopolitan*, "which I don't think ever before saw a paint print ad," as one example of a lifestyle book that made their list. *Modern Bride* and *Parents* magazines are two lifestage books used by Dutch Boy that are tied closely to the first-time user target — 25-34, recently married, engaged or those who recently had a baby or are expecting. And first-time home buyers and others are targeted through home-fashion magazines, such as *Country Living* and *Metropolitan Home*. "We wanted to be there for all of these stages," says Balint.

Also adding some rub-off to Dutch Boy paints is its sponsorship, with the Dick Simon Racing Team and Provimi Veal, of a race car on the Championship Auto Racing Teams (CART) Indy Car circuit. "Indy racing will continue to build the upscale image of Dutch Boy, which started with the 'Look,'" says Balint. "It's unique, we're unique, and that's why we're married." Among the other sponsors of the Circuit are Benetton, Porsche and BOSS Men's Fashions.

Given the commodity mindset of many in the paint business, it's not surprising that it is a product that relies heavily on "on sale" sales. But while Dutch Boy's satin-finish paint is also moved during sales, at between $12-$17 a gallon, its premium image and unique look have helped it hold its price points. Kevin Moore, an analyst with the Ohio Co., a Columbus, Ohio-based brokerage firm, states, "If you think that it's going to be on your wall for five or ten years, you're really not going to worry about a few extra bucks."

The future appears to hold more growth, especially since Dutch Boy's distribution through Sears stores will go national after about two years of testing in the Chicago and Philadelphia regions. It's expected by Ohio's Moore that when the dust settles in the next few years, the Sears business could develop into a $150 million-a-year business for Dutch Boy. Cerankosky at Prescott Ball & Turben says the Sears' decision "indicates two things — Sears' desire to carry brand names and the recognition of Dutch Boy's leadership as a branded paint."

Dutch Boy has doubled its media expenditures to about $15 million to trumpet the increased distribution, and tv flights are moving from spot to a national basis and will consume between 80%-90% of the ad budget. "Prior to this, there were pockets of strength — the Northeast, Midwest and West Coast — so now we've filled in the South," says Balint.

"In '89 we reached about 36% of U.S. households, based on the spot markets that we had; in 1990, we'll be tripling that message by going network," he says. Dutch Boy is looking to buy the same type of shows it bought last year and put "a significant amount of money into prime time again," according to Balint. Print also will see an expansion, with the number of titles used increasing to 14 and the number of insertions almost doubling to 27. That's laying it on thick — but the end result hopefully will meet expectations. ■

ADVERTISING EXPENDITURES

DUTCH BOY PAINTS

Media Total (000)	BAR NETWORK TV	BAR SPOT TV	BAR CABLE TV	BAR SYNDICATED TV	BAR NETWORK RADIO	RER SPOT RADIO	LNA MAGAZINES	MR NEWSPAPERS	LNA SUNDAY MAGAZINES	LNA OUTDOOR
1988 $4,112.3	1,521.7	1,503.0	180.8	—	—	906.8	—	—	—	—
1989 Thru 3rd Quarter $3,726.5	—	1,627.7	197.5	—	110.0	1,791.3	—	—	—	—

Sources: Arbitron's Broadcast Advertisers Reports (BAR); Leading National Advertisers (LNA); Radio Expenditure Reports (RER); Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

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BEAR ESSENTIALS

by Brian Bagot

To some, it borders on sacrilege. There on the tv screen are three oversized bears making their Beatle-like entrance into your home town and then imitating Elvis to further their cause. "Won't you let us be your — Teddy Grahams," sing the rock'n'rolling Teddy, Freddy and Eddy. Who do they think they're appealing to here — the kids or their nostalgia-oriented parents?

You guessed it — both. In one of the most bullish new-product introductions in years, Nabisco made sure its bears hit all the right notes — nostalgia, health, taste and all the warm-and-fuzzy feelings that teddy bears conjure up — to hit both ends of their target market. Lurking behind all this niceness, however, was one tough, determined marketing plan. Just like with Elvis and the Beatles, America never knew what hit 'em.

After an introduction in September 1988, Nabisco's Teddy Grahams, which are little bear-shaped graham cookies, clawed their way from nowhere to the number-three position in the cookie kingdom, joining their parents' Oreo and Chips A'hoy cookies to lock up all three top spots. By year-end 1989, Teddy Grahams were a big hit, commanding a near 5% share of the $3.5 billion cookie market. Although totals for '89 were not in by press time, sales of Teddy Grahams are expected to exceed $150 million at retail in what many term a no-growth market. And the hip little bears did all this with a basic cracker formula that predates Rudy Vallee.

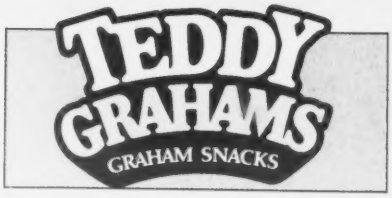
"The major thrust came out of our desire to contemporize and build on the strength of graham crackers, a product everyone loves but stops eating when they're five and resumes eating when they're 55," explains Sharon Fordham, senior director of marketing for new business at the Nabisco Biscuit Co. "But graham is a product right for the times; it's got that better-for-you aura," she says. "The key was to create a children's cookie that had some of the better-for-you aspects of graham, but with more inherent fun."

To that end, Nabisco didn't just give the cookies a personality; they also created a contemporary look and feel for the hibernating product. "Grahams are a very old product and their physical construction is very large," explains Fordham. "They are an antiquated product form." Flavors, shapes and sizes were all happening trends picked up by Nabisco research, so they made their Teddy Grahams bite-sized, created three flavors (chocolate, cinnamon and honey) and made them tiny and cute.

"They found what's hot — the bite-size niche — and they found the right flavor combinations," says Jim Cirillo, former marketing manager for Dancookie Brands Inc. and now a consultant in the packaged-goods industry. "It worked perfectly."

Frank Blod, a partner with New England Consulting Group, a Conn.-based consulting company, agrees. "Teddy Grahams are capitalizing on some important consumer mega-trends, like the

Teddy Grahams rocked the cookie shelves by hitting the right notes with both parents and kids.



miniaturization of foods and the growth in general snacking.'' But Blod also sees Teddy Grahams' success as based on ''some very creative marketing and merchandising,'' ranging from the name of the product to its design, packaging, promotions and advertising.

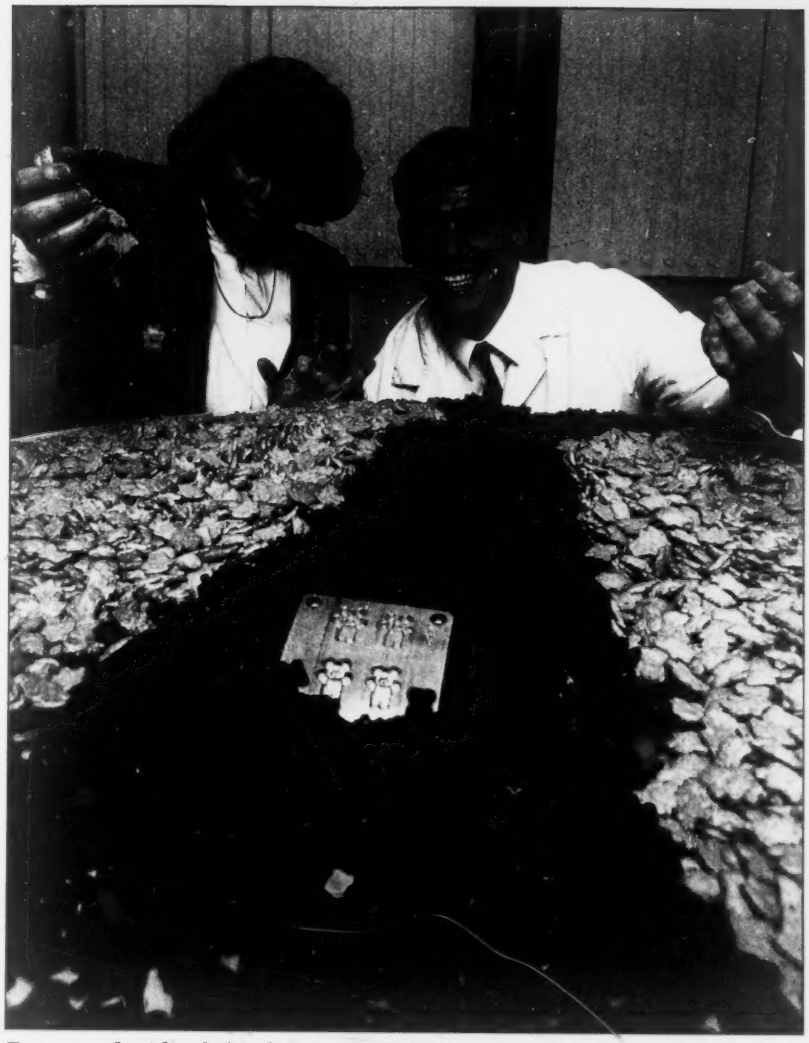
''It's a product that you see only every once in awhile,'' says Blod. ''The Teddy Grahams name, the positioning, trend-spotting, excellent consumer acceptance, excellent product and creative sizzle — add those all up and you get a home run.''

Echoing Blod is Brian Suher, an analyst with Black & Co., a Portland, Ore.-based brokerage house. ''This *is* American marketing. It's a very good example of how they ran the classic channels,'' he states. ''It's almost like the textbook from Procter & Gamble in terms of how to do an introduction. They definitely carried through with the entire plan.''

The centerpiece of the integrated sales and marketing program featured a tv ad campaign that headlines the Rock'n Bears singing their version of Elvis' 1957 hit, ''(Let Me Be Your) Teddy Bear.'' The song did more than pun on a hit — it was instantly recognizable to many parents but also created a hip image that kids could relate to.

The campaign's dual thrust comes through even more clearly when you examine the schedule of shows used to push the bears. The programing for the two 30-second spots is not just targeted toward kids on Saturday mornings. The mix is broken out to target moms, and maybe even a pop or two, with spot and network daytime, prime time, cable and syndication, at a cost of $7.4 million for the first three quarters of 1989, according to Leading National Advertisers.

Network tv took the bulk of the expenditures and cost the brand $5.2 million during the three quarter period, while syndication received $926,800. Spot and cable ran up bills of $549,000 and $695,600, respectively, according to LNA. Programing for the first three quarters of '89 included cartoons like *Gilligan's Island*, *Flintstones*, *The Real Ghostbusters* and *COPS*, while *A Current Affair* and *Lifestyles of the Rich & Famous* targeted moms, according to Arbitron's Broadcast Advertisers Report.



Fun was the idea behind the reformulation, says Sharon Fordham, shown with R&D's Randall Deihl.

A Nabisco spokesperson says that initial commercials in early '89 targeted the kids on Saturday mornings, emphasizing the ''scrumptuous,'' with the bears singing and dancing with kids in a Teddy Grahams concert. Meanwhile the spot running on daytime soaps and game shows featured the product's ''wholesome'' image. In this spot the bears are deboarding a plane, à la Elvis, The Beatles and The Monkees, to a screaming group of kids welcoming them to their town.

The strategy goes beyond nostalgia, as Cynthia Perry, senior vice president, management director for Teddy Graham's agency, FCB/Leber Katz Partners, points out. ''It's an interesting dynamic between the nostalgic for the moms and the contemporary for the kids. We have made a very conscious decision to make the bears hip by their costuming, by their dance moves, all those kinds of things.''

Following the strategy it uses for most of its other cookie and cracker products, print was not used last year, and there are no plans for the medium. Richard Miller, associate media director with FCB/Leber Katz, explains that for kids' media, tv is far more efficient than print, ''and we were able to get a continuous year-round presence in kids' television. This allowed us to achieve higher reach levels.'' As for adults, Nabisco thinks television,

JUDY GUROVITZ

point-of-sale and its promotions are most effective.

But promotions, Fordham says, are "so far, not a big factor." Besides FSIs, Teddy Grahams' biggest promotion is its free Teddy Grahams poster giveaway with proof of purchase. Three-dimensional Bear displays also danced in the aisles at retail. With cookies being an impulse purchase item, point-of-sale is a big factor, particularly in the Hispanic market where the emphasis is on the cinnamon flavor. No other Hispanic-specific media were used.

One big advantage Teddy Grahams did have in their introduction was their lineage. Nabisco Brands Inc. is one of the largest food operations in the RJR Nabisco family of companies, which went private in a $24.88 billion buyout last February by New York investment firm Kohlberg, Kravis, Roberts & Co. The buyout was one of the largest ever in the U.S. Within Nabisco Brands are four operating companies: Nabisco Biscuit Co., maker of Teddy Grahams; Nabisco Foods Co., which includes everything from Shredded Wheat to Grey Poupon mustard, but no cookies; Nabisco Brands Ltd., the Canadian operation; and International Nabisco Brands, the global operations, excluding North America.

Nabisco Biscuit is the undisputed cookie king, with number-one ranked Oreo and number-two Chips A'hoy holding 10% and 7% of the total cookie market, respectively. Shipments of cookies during the first nine months of '89 increased 5.1% to 1.5 billion pounds last year, according to *Snack Food* magazine; Nabisco's piece of that is estimated to be 34%.

Demonstrating Nabisco's strength in the market, as well as the scope of its sales and distribution system, the company did not feel it necessary to run Teddy Grahams in a test market. The company has 3,500 salespeople out in the field calling on stores two to three times a week, and it decided that force could do the job to bring the brand national overnight.

This is not to say that the company didn't do any consumer testing prior to the launch. Preparations made before the introduction were the basic premarketing tests that include in-home testing, in which demographically selected families receive products at home for evaluation. They also held focus groups.

"The Teddy Grahams' name, positioning, trend-spotting, excellent product, acceptance and creative sizzle — add those all up and you get a home run."

But Nabisco's size and history with retailers means the company basically controls its own retail shelf space, allowing it to cut back, drop and add products as it sees fit. This is in contrast to smaller or unestablished brands that have to pay the supermarket chains a one-time, $60,000-$80,000 slotting fee to get their products on the shelf, where they stay only as long as the product moves. Nabisco could insure Teddy Grahams distribution right from the start.

Of course, the product had to be good once it landed on those shelves, and the cookies scored high with kids on this front. Nabisco's efforts to extend the bears into a breakfast cereal this past November, however, are thus far proving more problematic.

"It's a logical extension," says Fordham. "Take the health aura and low sugar, and you've got a low-sugar breakfast that kids love to eat. And that's a pretty powerful combination." Ads for the cereal again feature the Rock'n Bears, this time singing their own version of the Everly Brothers' "Wake Up, Little Susie."

But word in the market is that the cereal is not doing as well as Nabisco expected. The Bears are getting too soggy, too quickly in the milk. The formula has been changed to coat them with sugar, despite their claims of lower sugar content, but they're still breaking down right away.

"A lot of people have tried it, but Nabisco found that it's not getting reuse on the cereal," notes consultant Cirillo. Nabisco responds that any cereal gets soggy if left in milk too long, and the company sees no problems with the cereal. Meanwhile, Nabisco is gearing up for another Teddy Graham extension with snack packs, which are currently being test marketed in several cities, including Boston, Atlanta and Indianapolis.

To keep up the cookies' bouncing beat, Nabisco plans to create a Teddy Grahams fan club. By enrolling kids, Nabisco will develop a data base of Teddy Graham consumers that can be used to target direct-mail efforts. This is not unlike the moves of two previous Marketing Successes, Nintendo with its magazine, and Barbie with her fan club and magazine.

In addition to the fan club, Nabisco has hired Applause, a licensing agent on the West Coast, to represent Teddy Grahams in licensing deals. Move over, Elvis — it can't be too long before the Rock'n Bears follow you to the silver screen. ■

ADVERTISING EXPENDITURES

TEDDY GRAHAMS

1988	Media	1989 Thru 3rd Quarter
$6,192.9	Total (000)	$7,414.6
5,134.9	BAR NETWORK TV	5,243.2
297.7	BAR SPOT TV	549.0
419.2	BAR CABLE TV	695.6
341.1	BAR SYNDICATED TV	926.8
—	BAR NETWORK RADIO	—
—	RER SPOT RADIO	—
—	LNA MAGAZINES	—
—	MR NEWSPAPERS	—
—	LNA SUNDAY MAGAZINES	—
—	LNA OUTDOOR	—

Sources: Arbitron's Broadcast Advertisers Reports (BAR); Leading National Advertisers (LNA); Radio Expenditure Reports (RER); Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

PLAYING FAVORITES

by Joe Mandese

The fates of toy companies, like the market they serve, are fickle as hell. As Chapter 11'd manufacturers Coleco (Cabbage Patch) and Toys of Wonder (Teddy Ruxpin) discovered, there is a big difference between winning the hearts of the little darlings and holding onto them for the long term.

None have learned this lesson better than Mattel Inc. Despite a line of venerable toys that have stood the test of time, the company's vision often has strayed from its strengths, and earnings have taken a dive as a result. Now, after a decade-long roller-coaster ride, the toy maker is riding high. From losses of $113 million in 1987, Mattel is projected to earn $82 million in 1989, according to Kidder, Peabody analyst Gary Jacobson.

While some hot new products like Li'l Miss Makeup and the Power Glove contributed to this performance, it was Mattel's renewed commitment to its core brands that led the way to its turnaround. Just three brands — Barbie, Hot Wheels and the Disney pre-school line — account for about three-quarters of its 1989 revenues.

Barbie alone grew 25% in 1989 to about $600 million in worldwide sales, while Hot Wheels grew about 20% to more than $110 million. And the Disney line, which Mattel produces in a licensing deal, exploded from $55 million in 1988 to $125 million last year.

"Barbie, Disney, Hot Wheels, See 'n Say. These are long-term, 20-year businesses," says Robert Sansone, president of Mattel USA Group. Sansone notes that the incremental growths of Barbie and Hot Wheels alone were greater than the revenues of any toy marketer's new-products program in 1989.

"We don't believe that focusing on key brands has to slow you down," he says. "We believe that you can grow your business in double digits for years by strengthening and supporting your key franchises."

Sansone, who spent 24 years with General Foods, heads a management team that excelled by applying classic packaged-goods marketing techniques to a seat-of-the-pants business. He joined Mattel in 1987 during one of its periodic downturns. "There were a lot of things," he understates, "that we were not doing right."

After building "He-Man: Masters of the Universe" into a $400 million line — the most successful boys' toy ever — Sansone came in just as the pumped-up performer lost its muscle. Like many ill-fated toy marketers, Mattel had employed a volume-driven strategy that oversaturated the market with He-Man products. The resulting carry-over costs contributed to a $113 million loss in 1987 that might have collapsed the company, if not for perennial performers like Barbie and the Hot Wheels line.

This blunder followed a $394 million loss just a few years earlier when a poor marketing strategy for its Intellivision system drove Mattel out of the video-game business. While Mattel had little

Mattel now knows that not all growth in the toy business comes from the next big thing.

Mattel Toys

trouble developing hot new products, the company clearly had problems managing for long-term success.

The new management team moved quickly to establish a discipline not normally associated with the toy business. First the firm cut its overhead by shutting down excess plants and non-toy assets. Then it devised a long-term plan that focused on growing core brands such as Barbie and Hot Wheels, with selective investments in new product development.

The firm also became a more disciplined buyer of media time and space. "We learned a couple of fundamental things about how to improve the effectiveness of our advertising on both the media and the copy side," explains Sansone.

On the creative side, Mattel began rigorous copy-testing of campaigns for new brands to make sure they delivered the right messages. To ensure they were heard by the right targets at the lowest possible cost, the firm revamped its planning and buying system. "We went back and analyzed what distinguished new-product successes from new-product failures, and we discovered some [proprietary] things regarding media weights and how to schedule, how to flight and what combinations of reach and frequency are necessary to create the awareness for a new toy to be successful," explains Sansone.

Put simply, Mattel had overspent on new-product launches while neglecting its core brands. An innovator in toy-based kids programing (it was the first firm to develop an animated kids show based on a product — Hot Wheels — in 1968), it got caught up in a heavy spending cycle to support programing based on its brands. Although this formula was a key to the earlier success of He-Man, it was not generating similar returns for other brands, including Captain Power and Marshall Bravestar.

"We got out of these shows because they were not carrying very good efficiencies," explains Sansone. "They didn't have very good ratings, and we were saddled with having to use up our committed time."

Robert Sansone applied packaged-goods strategies to the toy business. Here, he and a friend conduct a bit of research.

Mattel's new media-planning system was the fruit of a three-year internal analysis of its media mix that calculated 35 different variables to arrive at the optimum reach and frequency curve. Although that curve is proprietary, Mattel senior vice president of marketing research and media Martin Miller says it essentially tells the toy-maket when a media buy has peaked in its effectiveness.

"Barbie, Disney, Hot Wheels, See 'n Say. These are long-term businesses . . . We don't believe focusing on key brands has to slow you down."

"Most people go by an average frequency of 6.8," Miller says. "We ignore that number altogether. What we try to do is reach a targeted number of kids a specific number of times," he explains. "We never even look at average frequency, because 10% of the kids may see it 20 times and 90% of the kids may only see it once. It's a great average, but it's doomed to failure."

Working with its two agencies — Ogilvy & Mather, which represents about two-thirds of Mattel's billings, including buying responsibilities for print, adult tv, kids syndication and cable; and Foote, Cone & Belding, which has buying duties for kids network and spot tv — Mattel has been able to improve both effectiveness and efficiency. The formula: fine-tuning

JIM CACCAVO

Mattel Toys

daypart scheduling, the duration of media flights and even the media mix. "There's a point in time when an ad becomes inefficient, and we've been able to determine that," explains Miller. That doesn't always mean killing the flight, he says; it may mean cutting back from 30-second spots to :15s, for example.

As for its media mix, Mattel has moved dramatically away from the traditional toy-marketer's dependence on spot tv. "Toy companies, by and large, are spot buyers," explains Miller. "Spot buys account for less than 5% of our budget now. With some other companies, like Hasbro, it's as much as 100%."

As for Mattel's national tv mix, Ogilvy & Mather senior vice president and executive media director Ron Reilly says a task force comprised of Mattel, O&M and Foote, Cone & Belding executives arrived at a formula that increased cable and syndication relative to broadcast network buys. "We significantly altered the mixes of kid dayparts between syndication, cable and network, which resulted in more focused communication at a lesser cost," he explains. "That obviously means we can support more product, or get a higher level of awareness, or just save money."

The company also persuaded its agencies to negotiate better rates and positioning. "We had some frank discussions with the media department," admits Sansone. "We identified alternative opportunities that would have given us those benefits had they not found a way to do it." This combination of more effective planning and a tougher negotiating posture resulted in a "20% increase of GRPs against the target audience," he claims.

Indeed, while Mattel has increased its ad budget, these improved efficiencies have been reflected in a lower percentage of revenues going toward ad spending. In 1989, for instance, Mattel increased its advertising budget about 21% to $195.1 million, but reduced its percentage of revenues from 16.3% to 15.8%. Revenues for this period, meanwhile, are estimated to have grown about 25% to $1.2 billion.

"In a lackluster toy environment, Mattel continues to generate strong across-the-board retail product movement yielding outstanding results," writes Jacobson in a recent Kidder, Peabody research report. The company achieved this, explains Jacobson, by concentrating on "core products with staying power . . . Mattel has gone from a money loser to a turnaround to, finally, an impressive growth story."

Barbie, for example, benefitted from one of the most intensive marketing efforts in the brand's 30-year history. Unlike previous Mattel management, who sought to play down the doll's age on her 25th anniversary, the new team exploited Barbie's 30th year as much as they could, including the Barbie Pink Jubilee, a star-studded celebration held at Lincoln Center in true Barbie style — plenty of glitz and most of it pink. The event was a PR bonanza. According to Sansone, the anniversary generated either electronic or print media coverage every day of 1989. None less than *Smithsonian* magazine confirmed Barbie's status as a cultural icon when it put her on its cover, showing her evolution over the years.

To buoy the Barbie line, which has been greatly expanded and now includes 59 separate dolls and 250 accessory items, Mattel exploited every possible tie-in and promotion. A live model of Barbie was featured as a performer in the 1989 Ice Capades, and of course Mattel introduced an Ice Capades version of the doll, complete with ice skates. Mattel also licensed the name for a Breakfast With Barbie cereal line, which Ralston-Purina pro-

ADVERTISING EXPENDITURES

MATTEL

1988 $39,278.4	Media Total (000)	1989 Thru 3rd Quarter $23,781.4
12,377.3	BAR NETWORK TV	7,051.4
11,073.5	BAR SPOT TV	6,961.5
1,906.8	BAR CABLE TV	1,499.2
9,010.0	BAR SYNDICATED TV	5,296.0
—	BAR NETWORK RADIO	—
—	RER SPOT RADIO	—
4,549.4	LNA MAGAZINES	2,973.1
361.4	MR NEWSPAPERS	—
—	LNA SUNDAY MAGAZINES	—
—	LNA OUTDOOR	—

Sources: Arbitron's Broadcast Advertisers Reports (BAR); Leading National Advertisers (LNA); Radio Expenditure Reports (RER); Media Records (MR). Chart estimates are designed to show trends and shares among measured media.

If you can't beat 'em, accessorize 'em. Mattel's new Power Glove takes the place of a joystick on Nintendo games.

moted to kids and moms with a $15 million media budget. The approximately 10 million boxes — featuring Barbie on both the front and rear panels — certainly didn't hurt the brand's awareness.

Just about every major Mattel brand benefitted from tie-ins and promotions in 1989. The Disney line, for instance, had a catalog with rebate and consumer incentives tipped into women's services books. It also got heavy play in the Disney theme parks.

But the best examples of Mattel's promotion strategy are its fall campaign. Beginning in 1988, Mattel became the first major toy marketer to launch an intensive consumer promotion campaign tied to the fall selling season. The firm distributed 582 million store-redeemable coupons via direct mail and magazine inserts. The effort was supported by heavy tv and print advertising and had promotional tie-ins with other companies, including 7UP, Kraft and Kellogg's.

In 1989, Mattel took a slightly different tack. Instead of the standard direct mail or FSI coupon distribution, Mattel turned it into an event called "Mattel Kids Care Too," which tied into seven national charities. The company donated $2 million in toys and $250,000 in cash toward the effort, which was designed to encourage children and their parents to donate toys to underprivileged children.

Mattel distributed 40 million activity booklets, including rebates and coupon discounts for new Mattel toys, as part of the effort. The retail trade also got behind it, setting up collection bins for children to donate their old toys. Interestingly, about 200,000, or one-seventh, of the donated toys were new toys purchased in the stores.

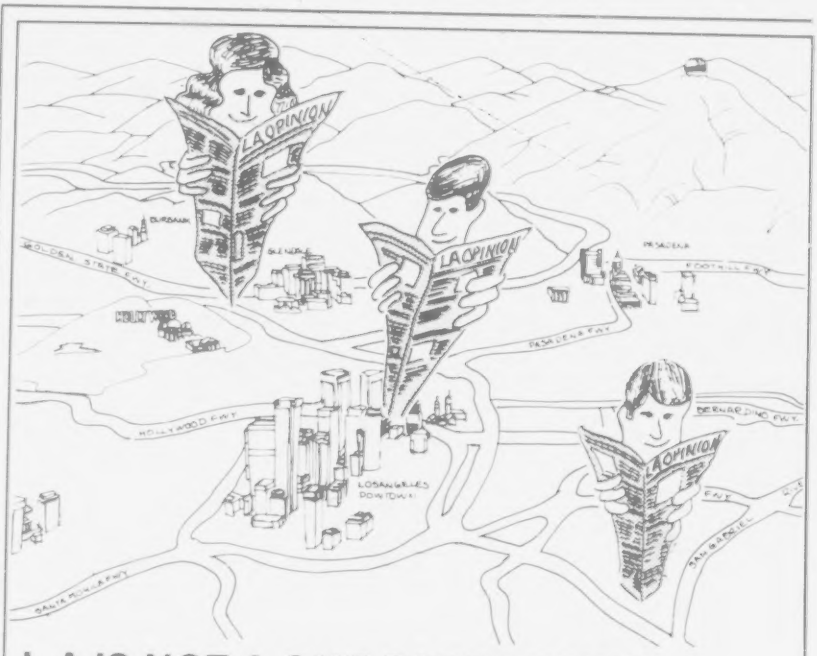
While Mattel bolstered its core brands with such efforts, it also invested selectively in new product development. It entered the "large doll" market in 1988 with Li'l Miss Makeup and had $40 million in sales its first year. And while Tyco's Oopsy Daisy doll was bally-hooed in the press as the hot doll of 1989, Mattel's expanded Li'l Miss line, including Li'l Miss Makeup, Li'l Miss Dressup and P.J. Sparkles, sold about 1 million units (contributing $115 million in 1989 revenues) compared to a mere 600,000 Oopsy Daisy dolls.

Last year's promotion took a socially-conscious turn by encouraging kids to turn in their toys for distribution to the underprivileged.

Mattel also had the confidence and audacity to reintroduce the He-Man line, albeit a modified version, in 1989. Mattel's research correctly indicated that He-Man still had a high awareness among boys and moms, and that the consumer franchise was still there. The new streamlined, more human-looking action figure chalked up $35 million its first year with relatively little promotional support. A two-hour miniseries, *The New Adventures of He-Man*, broke before Christmas, and a 65-episode series is scheduled to air starting this spring.

Mattel even got back into the video business in 1989 with the Power Glove, a remote-control unit that takes the place of a video game joystick. Featured in a theatrical film called *The Wizard*, the item was one of the hottest selling Nintendo products this past Christmas season and generated about $30 million in revenues for Mattel.

Going into 1990, Sansone says the firm will continue to emphasize its core brands while expanding into new categories on a selective basis, one at a time. As for the far future, maybe Mattel will take a cue from 1989's smash film *Back to the Future II*. In the film, a futuristic hoverboard (like a skateboard, except that it actually floats in the air) was depicted as a Mattel product. Hundreds of people inquired to find where they could buy one. The PR department's response: "We never comment on new product development, but try looking on your store shelves in the year 2000." ■



L.A.'S NOT A ONE-PAPER TOWN.

Since the unfortunate demise of the Herald Examiner, we've all heard comments that L.A. is now a one-paper town. Nothing could be further from the truth. A recent article in the *Washington Journalism Review* calls La Opinión "as important to its readers as the Los Angeles Times is to it's readers."

450,000 people can't be wrong. To find out more, call for a media kit today. (213) 745-5804.

LA OPINION

on an individual household. Voila! Accountability!

If there is safe passage through the treacherous '90s, if there is a way to secure our collective economic health in a time of moderate economic expansion, it will be on the twin paths of innovation and accountability.

The technology is here. The delivery systems — broadcast and cable networks, videocassettes and computers — are widely available. And the ideas are here. Each has a built-in mechanism which allows the advertiser to measure the effectiveness of his advertising.

These mechanisms, in turn, have the potential to challenge and to change the way we think about the creative product. For the "science" of good media and the art of good advertising are both ultimately measured by the same yardstick: what will work.

As we enter 1990, media accountability is less an issue than an idea. When we exit the '90s into the next millennium, accountability may well be the price of entry. ■

TELEVISION

Zandra Sommer

Vice president, media director, West & Company, Tampa, Fla.

WATCHING WORKING WOMEN

With the release of the 1990 census, the working woman aged 25-54 will clearly be in the limelight. She dominates the census growth statistics. Significant growth among any segment in the past decade, which only experienced a 10% population increase, means economic opportunity. The number of working women 25-54 in that period, meanwhile, has increased a staggering 46% (see Chart 1).

Because of such startling growth, television, which may remain a marketer's dream for reaching the younger non-working woman or woman 55+, may become a media planner's nightmare in the 1990s when targeting their working sisters.

If you have a retail client, you find that the relative inefficiency of television to reach working women is compounded by this category's traditional approach to the medium. The majority of television dollars for retail are concentrated on Thursday and Friday. Higher demand results in higher prices per commercial message. These higher costs per unit become more dramatic compared to actual television by day of the week for working women. Friday, the highest in demand for television inventory, is the lowest in viewership by working women. So, it's a costly price we pay for tradition.

Finding ourselves in just that dilemma, we were faced with a directive from a retail client to increase not only sales but market share and profitability. Within our competitive set, broadcast spending had increased 79% in just the past three years. Our broadcast share-of-voice had declined. New market entries were on the horizon. Spending more money was not the answer. Communication was the key. But what would be the medium and the message?

We needed to understand the values of our target consumer, not only what motivated her to shop and choose a retailer, but how she felt about herself and her relationships. Through extensive qualitative research, all indications were that price would continue to be one of the factors that motivates the working woman to choose one retail

CHART 1

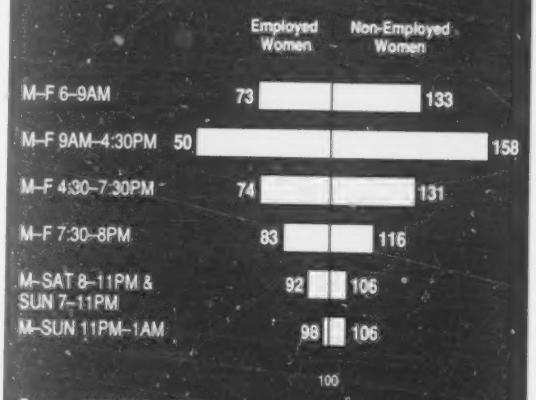
WORKING WOMEN IN THE '80s

	1980	1990 (est)	% Change
Total Employed Women (000)	44,823	54,650	+22.7%
Employed Women by Age			
(25-54)	27,474	40,235	+46.4%
(25-34)	12,112	16,368	+35.1%
(35-44)	8,446	14,692	+74.0%
(45-54)	6,916	9,175	+32.7%

Source: American Demographics, January 1990.

CHART 2

TV TARGET SELECTIVITY INDEX TO TOTAL WOMEN



Source: 1989 Spring MRI

INDEX OF VIEWING BY DAY OF WEEK/ WORKING WOMEN

Monday	104
Tuesday	103
Wednesday	97
Thursday	101
Friday	89
Saturday	90
Sunday	115

Source: Nielsen, November 1989, people meters, prime time.

establishment over another. She had a positive image of herself, however, and that translated to being a "smart shopper." She believed there was only a minor difference in pricing between one retail chain and another. Therefore, the combination of convenience, quality and service rated more highly in her decision than price. Still in all, choosing where to shop was fairly low in terms of what she considered to be important home-making decisions.

The working woman is highly aspirational. She values her relationship with her family, friends and co-workers and seeks enjoyment in her life, not only for herself but for those she loves. One of the highest motivational factors for the working woman was what she perceived to be the quality of her time. We were asking her to devote her energies towards seeing, listening or reading our communications message in a hectic, time-precious environment.

By recognizing the emotional dynamics of our target consumer, a major shift in spending and focus was recommended. Although traditional price-item would continue to play a part, it was directed towards the non-working woman. Working closely with the creative department, a targeted lifestyle campaign was developed. Target rating points were sacrificed for communication. Sixty-second units (only 2% of today's tv commercial messages) were recommended in combination with the traditional 30-second units to breakthrough the commercial clutter for increased impact. And 50% of the target communication was in prime time — the least cost-efficient arena but one that offered highly targeted programming, such as *Murphy Brown* and *thirtysomething*. Prior to placement, dailies and rough-cuts were rushed to the agency in order for the media-buying staff to gauge the creative for more effective placement in their markets.

The campaign was launched and the criticism from the press and agency executives began, "Sure it's pretty stuff, but can it make the cash register ring?" One year later, double-digit sales gains answered with a loud, "Yes!" Television can effectively communicate to working women and may be the best price-point in today's retail marketplace. You just have to know your market's minds and hearts. ■

MAGAZINES

Dan Charnas

Vice president, associate media director, FCB/Leber Katz Partners, New York

EDITORIAL DIRECTION

It happens every Thursday at 9:30 A.M. at Howard, Fine and Howard, the agency which employs a certain assistant planner by the name of Aileen, who, you may recall, has had close encounters of the dubious kind with Cliff Griff and the Salesman from Hell on the Hakes Flakes account. It is the traditional, somewhat ceremonious departmental presentation, where various vendors are invited to ply their wares to a gathering of media's finest.

At HF&H, it is the responsibility of Don Churlish, Aileen's associate media director, to orchestrate these presentations, lining them up months in advance, ensuring that the slide projector slides and the VCR rewinds. He has also become a master procurer of sumptuous breakfasts for his department, boldly advising salespeople that if they bring the danish, he'll bring the bodies.

On this particular Thursday morning, Aileen wanders into Don's office while he puts the finishing touches on yet another recommendation for Hake Flakes Cereal to sponsor the 13th remake of *A Star is Born*, featuring Cyndi Lauper and Billy Idol.

"Who's coming in this morning, Don?"

"This one is guaranteed to forever change your perceptions about the newsweekly magazine category," noted Don. "*Emit Magazine* is going to demonstrate the different CPMs produced using SMRB, MRI and Monroe Mendelsohn across the primary target audiences for all of our clients! I can't wait to see how *Emit* compares to *U.S. Report & Global News* on SMRB data for 'women 45-49 with husbands with a cholesterol count of 230-249 who eat fish at least twice a week.' "

Aileen smiled weakly. "Sounds great, Don."

"What's the matter? Don't you think you'll learn something from this that you could apply to your accounts?"

"Don, may I close the door for a minute?"

"Sure, but let's not be too long. *Emit* will be here any minute and I have to help them set up."

Aileen nudged the door a little too hard, and it slammed shut. "I want you to know, Don, that I think I speak for all of us when I say we *live* for your Thursday morning breakfast bashes. I mean it's not every manager who goes out of his way to feed us bagels and brioches while we absorb CPM and circulation comparisons. But we are hoping to get a little more from these meetings."

"What do you mean?"

"Many of the presentations don't focus enough on the editorial product. If I need a CPM comparison, I know how to get one. More often than not, I don't have enough time to read three of four issues of every magazine under consideration for a campaign. If I'm expected to make qualitative comparisons between magazines, or if I'm supposed to assess relevant positioning opportunities for my clients, then I need to be up to date on the content of the publication."

"What about all the seven-minute videocassette productions about editorial that you've seen in these weekly congregations?"

"Well, some of them have been very good, but others have been antiseptic. The most interesting ones have featured the editors articulating their product. The only problem with having the editors on videocassette is that it is difficult to ask them questions."

"Frankly, Aileen, I haven't been

TOOLS OF THE TRADE

by Wally Wood

THE PRINT-PLUS PAYOFF

The evidence is piling up from the Netherlands, Italy, Canada, Great Britian and, most recently, West Germany: Campaigns that employ both television and print media advertisements are more effective than either television or print alone. True, the media environments in these countries are different from ours, as well as from each other, and critics may question methodologies. But all the studies point the same way.

One of the most comprehensive studies, "Media Mix and Advertising Effectiveness," comes from Axel Springer Verlag, the Hamburg-based publisher. Rolf Speetzen, ASV's international research officer, recently came to the U.S. to share the results.

Axel Springer previously had surveyed 246 German brands to establish advertising effectiveness (*M&MD*, February 1987, p. 130). For the current study, they looked at 43 of these brands — those that spent DM 1 million or more during the survey period (January 1986-May 1987) and spent at least 20% of the budget in either television or radio. The print/tv mix ranged from 75/25 to 24/76.

Their findings: The brands reached 22.9% of all consumers exclusively through print, 29.4% exclusively through television, and 39.7% through a combination of both. Neither print nor tv were able to reach 8.3% of consumers (although some might have been reached through radio).

Reach is one thing; what about impact? Axel Springer tested three advertising effectiveness criteria: unaided brand awareness, aided brand awareness and potential buyers. The unaided brand awareness scores were, in virtually all cases, much higher among consumers who had been exposed to a mix of television and print (see table). As the report concludes, "The highest effectiveness levels are scored among people who were exposed to a mix of media." In addition, "among people who can be reached mainly or solely through television, only a very high dosage of contacts shows an adequate effectiveness level."

MIXED MEDIA AND UNAIDED BRAND AWARENESS

INDEX: SCORE FOR NO EXPOSURES =100 (=25.7%)

	PRINT		TV only		Mix Print & TV	
	Awareness % of All Consumers	INDEX	Awareness % of All Consumers	INDEX	Awareness % of All Consumers	INDEX
1-12 Exposures	4.5%	144	15.4%	91	23.7%	139
13-24 Exposures	30.8	181	21.2	125	31.5	185
25+ Exposures	32.6	192	32.4	191	40.7	239
All Contacts	27.5	162	19.9	117	30.9	182

Source: Axel Springer Verlag

A recent study of 43 German brands shows, predictably, that unaided brand awareness rises with each exposure to advertising. But the print/tv mix index rises much more rapidly than either print or television alone.

Bill Landgraf, director of media planning at Kraft General Foods, says the findings are "another indication that a media mix makes more and more sense. The nay-sayers might argue that German television is a different situation: Media patterns aren't like ours, commercial television has certain restrictions, etc. But so what? I think the concept is right — a media mix, or synergy or a multiplier are all telling me the same thing."

A Canadian study, "The Multiplier Effect," a joint research venture of McLean-Hunter, *Reader's Digest*, Telemedia Publishing and MacLaren: Lintas, looked at four different campaigns. It concludes that "adding magazines to a schedule contributes more than adding more television."

For example, if "tv without print" is indexed at 100, the main message for a Kraft Miracle Whip Light campaign of "tv with print" is 118 for the "light and healthy" main message, and 126 for the "taste" main message.

Another British study, "Multiplying the Media Effect 2," commissioned by the Press Research Council, looked at 12 cases, ranging from Peugeot to Sarsons Pickling Vinegar. The report concludes, "Print can lead people to perceive the tv commercial in new ways and can also convey new information that is not in the tv commercial. The result of adding print to a tv campaign is a richer, more complete communication."

This study looked at both newspaper and color supplement advertising, as well as magazine ads. "Although there are undoubtedly differences in the ways different kinds of publications communicate, the distinctions are small compared with the major differences between print and television."

Marian G. Confer, vice president and research director of the Magazine Publishers of America, says they are testing three female-oriented brands in the field to see how the media mix affects advertising effectiveness. They hope to have the results by the end of March.

Confer says that the studies are so interesting, "we're trying to get together a meeting in London this spring to share what we've been doing. Since there is so much interest in global marketing, there may be one global methodology — the best of the best — to do this research." ■

MAKING THE GRADE

KGF'S ASSIGNMENT TO EXCEL

Kraft General Foods is to be commended for restructuring the individual divisions' media departments into a well-defined, functionally focused "Media Services Department" (see February '90, pg. 20). While KGF agencies might blanch at the tighter reins, we anticipate a rapid recognition and acceptance of its positive elements.

It's likely that the KGF media services department will be well-run due to several factors:

- It was constructed by two leading marketing and media minds: Jim Morgan and Dave Braun.
- The unit will report to a senior marketing executive, Eric Strobel, formerly of Kraft's Refrigerated Products Group. Strobel's strong marketing background will help to bridge any gap between the line marketing groups and the staff media function.
- The corporations merging their know-how, experience and personnel are formidable in the marketplace.
- KGF has structured the new media unit in the interests of more effective media planning and buying, not as a cost-saving move.

The KGF media department appears to be starting off on the right foot geographically. By assigning the KGF planners to the location housing their brand management counterparts, the media group is easing channels of communication. While the KGF planners are not substitutes for the advertising agencies' media planners, they can reinforce agency recommendations. At the same time, the KGF planners working closely with client brand management can help translate marketing goals into media terms.

The KGF buying group has been centralized in White Plains, a logical choice since this group interfaces with the AOR agencies. This group's job is to help set standards of buying, quantitatively and qualitatively, and ensure that brands of all divisions are treated equitably. Once buys are made, the KGF buying unit oversees the individual agency's stewardship of the activity. I assume this includes supervising the duplication and shipping of commercials — coordinating with agency traffic departments and the print production houses used by KGF.

Procedures would have to be established to maintain corporate inventory and to allow for transfer of announcements across brands when needed and beneficial. The design, review and analysis of post-buy reports would be in the purview of the KGF buying group. Such review allows the corporation to assess the buying performance of its several agencies.

An argument could be made against the expressed intent of KGF to assign AOR responsibilities to its various agencies based on the quality of each agency's planning. After all, the disciplines germane to effective planning differ substantially from those necessary for efficient, effective buying. But such a position, I believe, fails to recognize the players. Each of the KGF agencies is a major professional organization that has already exhibited its ability to perform as agency of record. Kraft General Foods is very much aware of the qualifications of its several agencies. KGF is not about to dole out AOR assignments to any agency lacking the ability to discharge the negotiating, buying and stewarding responsibilities professionally and effectively.

It is encouraging that a leading organization like Kraft General Foods is willing to award responsibilities (and income) to its agencies based on performance or standards of excellence. Such a commitment should serve as a motivation for the agencies to reach new heights in innovative, creative media planning. It should spur a healthy competition among KGF agencies with the client benefitting from the extra efforts.

KGF agencies should welcome a grading system as the client's open assessment of their work. The media services department can help to open channels of communication, set standards for planning and buying excellence and develop an even greater appreciation by KGF for the contributions made by its agencies' media departments.

Art Heller is executive vice president, media-programing-marketing services, at Griffin Bacal, New York.

OUR READERS TELL US . . .

Research USA, Chicago, reports that while a majority of agency respondents say their clients *do* have a media staff involved in media plan development, few of those clients give out grades when reviewing the plans. The six that get grades are evenly split on whether it makes a difference in the resource. They apply towards media planning for the client.

1. Do you have any clients with a corporate media staff involved in media plan development?

Yes	60.8%
No	39.2%
Base = 97	

2. If "yes," how are they involved (check all that apply)?

POLL

THE HIDDEN DANGERS

As a member of the media community for over 18 years, how could I not applaud Kraft General Foods' new media structure? Recognizing the importance of both the planning and buying functions, KGF is doing more than paying lip service. It is proactively putting a system in place that will monitor activity, take advantage of combined programs to gain greater efficiencies, utilize cross promotions where appropriate and insure that all planning and buying meets corporate standards. Hooray!

But KGF must be careful, because even as it moves in the right direction towards better media value and control, there are hidden dangers that could be counterproductive to its intent. These dangers cover three areas that could suffer as a result of a seemingly over-structured, over-qualified and over-controlled approach to planning and buying. They are:

- Forcing number comparisons that don't always reveal the best plan, because the process may not allow for "creative input."
- Creating a system that may be more in tune with getting a good grade than in producing good work.
- Encouraging short-term results that may inhibit long-term relationships.

To the first point — in large, multi-agency relationships, the various agencies are supposed to be cooperative, not competitive. The agencies' goals should be to find ways to get the client a competitive edge in the marketplace. They should spend their energies on this, not competing against one another. Granted we all want to shine in multi-agency comparisons, but our focus should be on the client's business, not on winning competitions.

In KGF's new structure, both planning and buying are being viewed as a science, as a function that can easily be quantified. Although we have a lot of tools at our disposal and countless computer programs that spit out thousands of numbers by the minute, they mean nothing without an understanding of the consumer and how he/she uses or thinks about the product.

When every element of the media plan, both quantitative and qualitative, is reduced to a number, the entire strategy suffers, which produces the second danger area: a system that is more in tune with getting a good grade than in producing good work.

To be able to compare the plans across many agencies the grading system will need to be somewhat standard and therefore somewhat inflexible. There's certainly nothing wrong with accountability, but eventually the agencies will figure out the "system" and begin writing plans in order to get the best grade (which may or may not produce the best plans).

Look at the kind of advertising that currently gets produced when clients judge creative by recall scores. Agencies know how to write commercials that recall well, but what do they have to sacrifice in creativity? This will be further compounded by the fact that the planning grades will be tied to AOR assignments. I'd be willing to bet that a lot of opportunities will get passed up because the planners won't know how to fit them into the system.

And, this really brings up the third danger. When AOR assignments are consistently reviewed and changes occur with some degree of frequency, it is difficult for an agency to develop an on-going relationship with the media. Short-term emphasis on delivering the lowest CPM does not encourage buys that deliver beyond mere numbers. When an agency develops long-term AOR relationships, the media knows that their long-term business will be dependent on consistently delivering quality buys, impeccable service and merchandising ideas that enhance the basic buy.

Over the years, personal relationships also develop that enable the agency to get the "first" call for opportunistic deals. These relationships are critical, but they take time to develop and they must be nurtured.

I learned long ago in this business that if "you live by the numbers, you can also die by the numbers." As KGF embarks in its new direction, it must be aware of the dangers along the way.

Cheryl Kroyer is senior vice president, media director at Della Femina McNamee, Pittsburgh, Pa.

Set planning goals such as audience targets and cost objectives 49.2%
Work with agency and brand management to develop plans, including the selection of media 50.8%
Review and comment on plans 89.8%
Approve plans 69.5%
Base = 59

3. If corporate media is involved, who has line approval?
Corporate media 49.1%
Brand management 43.6%
Other 10.9%
Base = 55

4. Does the client use a formal grading system when evaluating plans?
Yes 10.5%
No 89.5%
Base = 57

ECONOMIC EYE

VCRs ON THE RISE

According to Nielsen, 66.9% of all U.S. tv homes now have VCRs. Two Alaska cities, Anchorage and Fairbanks, have the highest VCR penetration, 82.6% and 82%, respectively. Three California markets, Sacramento/Stockton/Modesto (77.6%), San Francisco/Oakland/San Jose (75.8%) and San Diego (75.5%), round out the top five.

MAGAZINE AD SCORECARD

	Ad Pages Jan. 1990	% change from Jan. 1989	Dollars spent (000)	% change from Jan. 1989
1. Skin care, Creams, Lotions and Oils	199.16	-8.3	8,547.9	1.6
2. Lip and Eye Beauty Products	36.47	-38.2	1,850.2	-16.0
3. Scents and Fragrances	54.59	107.1	1,533.7	121.6
4. Facial Makeup Products	40.0	-20.9	1,615.1	-13.9
5. Prepared Dinners and Entrees (including pizzas)	59.82	186.4	4,026.6	151.8
6. Liquor	204.9	-5.0	8,528.6	-7.5
7. Cigarettes	449.37	-21.1	24,490.4	-22.4
8. Soaps and Detergents	32.8	112.4	2,033.3	95.7
9. Passenger Cars, Domestic	466.17	-24.1	25,521.2	-19.6
10. Passenger Cars, Imported	639.63	30.1	29,612.9	22.5

Source: Publishers Information Bureau as prepared by Leading National Advertisers.

MEDIA COST INDEX

(The Media Cost Index is based on unit costs, which are the end product of circulation, audience and CPM adjustments. They do not represent the efficiency of a given medium, only the out-of-pocket costs.)

1985 = 100 ← 1989 →

	Apr.	% change	May	% change	June	% change	July	% change	Aug.	% change	Sep.	% change	Oct.	% change	Nov.	% change
Network TV																
Daytime	72	–7	67	–12	63	–14	71	–11	67	–9	76	-48	80	-28	82	+3
Nighttime	112	+13	127	+16	112	-8	125	+14	135	+14	120	+2	119	+19	124	+10
Spot TV																
Prime time	131	+5	126	+0.3	131	+5	132	+7	134	+7	117	-15	116	-9	128	+23
Daytime	100	+5	101	–1	93	–0.2	107	+0.2	99	-1	94	-11	94	-12	98	-5
Network radio	128	+10	131	+13	126	+8	121	+19	127	+15	127	+14	142	+8	139	+11
Spot radio	–	–	–	–	118	+17	–	–	–	–	112	+7	–	–	–	–
Consumer magazines	122	+6	122	+6	123	+7	123	+7	123	+8	124	+7	123	+7	123	+5
Natl. Sunday magazines	129	+10	130	+12	130	+12	130	+12	141	+10	141	+10	141	+10	141	+10
Business publications	119	+2	123	+6	123	+6	123	+6	123	+6	123	+6	123	+6	123	+6
Newspapers	132	+6	131	+6	131	+6	131	+6	131	+6	131	+6	131	+6	131	+6
Outdoor	132	+8	132	+8	132	+8	132	+8	132	+8	132	+8	132	+8	132	+8

Notes: Percentage shown is relative change from the same month period the year before.
*Revised

Sources:

Nighttime Network TV- Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV- Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio- Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimates based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.